

# OFFICE OF PRIVATE AND VOLUNTARY COOPERATION

BUREAU FOR HUMANITARIAN RESPONSE

RESULTS REVIEW  
FY 1997

AND

RESOURCE REQUEST  
FY 2000

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BHR/PVC

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## **PART I     OVERVIEW**

### **A.     OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE**

The Office of Private and Voluntary Cooperation (PVC) is the Agency's lead office for collaboration with the U. S. Private and Voluntary Community. PVC's primary Mission is to strengthen the capacity of U. S. PVOs and their local partners to carry out effective development activities in priority sectors of mutual interest to USAID and the PVO community. The Office Strategic Objective (SO), *"increased capability of PVC's PVO partners to achieve sustainable service delivery"*, reflects PVC's mission, comparative advantage and long experience in providing capacity building assistance to the PVO community. PVC's focus includes building the capacity of local NGOs and other partners who are playing an increasingly important role in helping US PVOs to achieve sustainable development impacts at the local level.

PVC is now in the second year of implementing its strategic plan, and is pursuing its Strategic Objective through five key intermediate results:

- Operational and technical capacity of PVC's grantees improved
- Strengthened partnership between USAID and US PVOs
- Strengthened partnership between US PVOs and local NGOs
- Improved mobilization of resources by PVC's PVO partners
- US public awareness raised

The primary way that PVC supports its mission is through the competitive grants program it administers, and over the last two years the office has refocused these programs to enhance their contribution to the Intermediate Results (IRs) and Strategic Objective. PVC's primary grants programs are: Matching Grants (MG); Child Survival (CS); Cooperative Development (CDP); Farmer to Farmer (FTF); Biden Pell Development Education (Dev Ed), Ocean Freight (OFR), and the Denton Program (See attachment for program descriptions). PVC also plays an increasingly important role in the development of policies and procedures that affect PVOs and the PVO partnership, in part through its role as the Secretariat for the Agency's Advisory Committee on Voluntary Foreign aid (ACVFA).

## **Favorable Factors for Plan Implementation**

The broader Agency and external context for implementation of PVC's strategic plan has been favorable in many respects. The USAID Administrator has actively promoted a strengthened partnership between USAID and the PVOs. USAID's reengineering has placed strong emphasis on increased collaboration and consultation with external partners such as the PVOs through its focus on "partnership," "customer focus" and "consultation." The Agency has accepted, in principle, the importance of channeling an increased proportion of USAID resources through PVOs and NGOs and is now encouraging this through the R-4 process. The ACVFA has been very effective in highlighting and addressing policy issues that are vital to the USAID/PVO partnership and the ability for PVOs to utilize USAID resources effectively.

These factors have heightened the importance and visibility of PVC's Mission to strengthen the capability of USAID's PVO and NGO partners. PVC's progress towards its objectives has also been greatly facilitated by the close working relationship and confidence it enjoys from the PVO community, who have been active partners throughout the design and implementation of the strategic plan.

A key trend that has accelerated PVC's work in one important area is the increased awareness and interest by the U. S. PVOs, USAID and the rest of the international development community in the growing importance of local NGOs, and the changing dynamics of their relationships with donors, U. S. PVOs and host country governments. As a result, PVC has given greater attention to understanding and strengthening partnerships between U. S. PVOs and local NGOs, and the office has moved into a broader leadership role for the Agency and the international community in the area of capacity building for local NGOs.

## **Constraints to Plan Implementation**

The key constraints that PVC has faced in implementing its plan have been in the resource area, both human and financial. With the increased visibility of its programs with other parts of USAID and the PVO community, demand for PVC's programs has skyrocketed. While the office's budget has remained relatively stable, the number and dollar value of proposals has increased dramatically. A sharp increase in earmarks has also constrained PVC's ability to provide effective capacity building support to the PVO community in some sectors. In some cases the budgetary constraints have been Congressionally imposed, such as the \$500,000 cap on the Development Education Program.

The most serious constraint is in the area of human resources because the kind of hands-on, customized capacity building support provided by PVC is labor intensive. For example, PVC has put creative mechanisms in place to engage with smaller PVO partners that are newer to USAID, but the office's ability to work with these organizations, and to provide the intensive support they require, is closely linked to the number of PVC project officers on board.

PVC has had remarkable success to date in making progress towards its objectives, and achieving

its targets, in spite of these constraints. However, they are a serious hindrance and limit the office's ability to accelerate its progress in vital areas.

## **Management Actions**

PVC has taken a series of management actions to make the best use of the scarce resources it has available and to accelerate its progress in implementing its strategic plan. These range from strengthening IR teams and increasing collaboration with other parts of the Agency to reorienting grants programs to accelerate achievement of results and strengthening office systems for performance monitoring. PVC has also undertaken a series of analyses to better understand the dynamics of the USAID/PVO partnership and to obtain the information needed for management decisions to improve the effectiveness of its programs. Key management actions are highlighted below.

### **# Strengthening IR Teams**

Two years ago PVC established intermediate results teams with membership from the different divisions to promote cross-fertilization and more coherent focus on achieving office objectives. Over the last year these teams have been strengthened. They have played a very useful role in helping to integrate strategic priorities into the RFA guidance for the grants programs and in developing plans and activities to advance the IRs. They have come to play a particularly critical role in program performance monitoring; the IR teams took the lead in collecting and analyzing the data to measure PVC's progress in relation to the IR indicators and in drafting the IR progress narratives for this R4 report. The most active IR teams have also enhanced PVC's strong tradition of consultation and partnership with the PVO community. They have integrated PVO partners into team decision making and have maintained a dialogue with the PVOs on the strategy for achieving and measuring the IRs.

### **# Enhancing Collaboration with USAID Missions and Other USAID/W Offices**

PVC has taken a series of steps to strengthen its cooperation with USAID Missions and other AID/W offices, in order to enhance the technical quality of PVO programs and their fit with USAID objectives, and to promote PVO programs more broadly in the Agency. PVC has expanded its collaboration with other USAID offices such as the Office of Health and Microenterprise Office for the technical review of proposals. By contributing resources to a wide range of PHN cooperating Agency programs such as Basics, SEATS, MotherCare, etc, PVC has not only improved the quality of the technical support provided to the PVOs, but has also mobilized counterpart resources from these programs and helped them learn to work more effectively with the PVOs. PVC has helped to build a closer relationship between USAID Missions and the PVOs through its program guidance. PVC's RFAs now require that PVOs consult with Missions during proposal preparation to ensure a good fit with Mission strategic objectives and Missions review all proposals for their country.

### **# Reorienting Grants Programs to Improve Results**

As noted above, PVC's primary vehicle for achieving its Strategic Objective are its major competitive grants programs, and each year the office has revised its Request for Applications (RFA) to increase emphasis on PVC's strategic objective and intermediate results. Last year for example, in the design of the FY 98 programs, PVC introduced a new section of the RFAs, requiring the PVOs to describe how their proposed program would contribute to all five of PVC's Intermediate results. As indicated below, special emphasis was placed on PVO/NGO partnering (IR 3) in resource mobilization and sustainability (IR 4). In addition to reorienting the guidance for new programs, the Office has taken a series of management actions designed to increase the effectiveness and impact of its ongoing programs, as illustrated by our Farmer-to Farmer Program discussed below.

*RFA requirement on local partnering:* In an effort to increase the reach of PVO programs and to build local capacity to operate and sustain these programs, the 1998 Child Survival and Matching Grants RFAs required PVOs to identify and work with local partners in the design and implementation of the proposed program. In addition, all Child Survival and Matching grant recipients are required to submit: a description of the local program partner(s); a jointly developed and signed Memorandum of Understanding (MOU); and, a strategy for building the capacity of the local partner, with their Detailed Implementation Plan (DIP).

*RFA focus on sustainability:* In order to put more emphasis on sustainability all Matching Grant applicants were required to submit business plans and strategies for resource mobilization. Child Survival grant applicants were required to submit sustainability plans.

*Reconfiguring Programs:* The Farmer-To-Farmer (FTF) program is currently reaping the benefits from moving the program focus from "inputs", (number of volunteers fielded), to "results" achieved by volunteers. All FTF grantees have implemented impact reporting systems that fundamentally changed program implementation.

## **# Measuring Results**

PVC has not made changes in the Strategic Objective (SO) or the Intermediate Results (IRs), however as indicated in last year's R4, the Office has taken a closer look at the SO and IR level indicators used to measure progress. The objective of this internal review was to tighten and streamline the Office performance measurement system and to add "depth" to the existing indicators in order to generate more specific information that would be more useful in managing the programs.

This review lead to a number of office-wide changes designed to maximize our ability to document results. These changes focus on:

*Building a self-sufficient performance monitoring system.* PVC has made it a priority to build the foundations for an internally driven results reporting and management system.

As noted above, the IR teams have taken on the responsibility for documenting and managing IR progress. They have defined more rigorous sampling procedures, refined or developed more detailed data collection instruments, conducted phone surveys and analyzed the data and produced the interpretation and narrative for this R4 report. In this coming year the teams will work on streamlining the data collection process, increase use of the R4 data for program decisions and make further refinements in the indicators. In working with the performance data, the IR teams recognize that in some cases there is a need to refine both the indicators and our measurement techniques to improve their sensitivity or ability to detect change.

*Strengthening the grant evaluations:* The grant evaluation process was re-examined with an eye towards identifying what changes would instill greater rigor into the evaluations, re-align these documents to focus to a greater degree on results achieved and to assure data from these evaluations contribute to PVC's performance monitoring system.

*Institutionalizing performance monitoring.* More emphasis has been placed on strengthening the results reporting systems of our PVO partners and implementors. For example, the Farmer-to-Farmer program staff and implementors worked together throughout the year to complete a change in program focus. Grantees have changed planning and implementation procedures and have put into place a systematic approach and use common indicators to measure the effects and impact of the Farmer to Farmer program.

*Making sustainability a higher priority.* Strong sustainability management and accurate measurement are critical to demonstrating the achievement of PVC's SO. As cited above, both the Child Survival and the Matching Grants programs required grant applicants to include operational and financial sustainability plans in the grant proposal. In addition, to strengthen our capacity to measure the sustainability of PVC-funded programs, the Office reviewed the measurement approach and indicators proposed in the Strategic Plan, and opened a dialogue with our PVO partners on how best to measure post-grant sustainability. The objective of the review was to develop a more rigorous, yet cost-effective approach that would not place an unreasonable data collection burden on either partner. PVC recognizes that this is a vital issue that probably merits a full blown evaluation/assessment, that can look at progress toward sustainability on the ground and suggest ways to institutionalize tracking sustainability in our portfolio.

#### # **Expanding our understanding of the PVO/USAID partnership and the Changing Relationships between U.S. PVO and Local NGOs**

PVC recognizes that the dynamics of the USAID/PVO partnership are constantly changing and that it is important to understand this evolving context in order to be successful in achieving our mission. PVC has also focussed increasingly on the rapidly changing relationships between U.S. PVOs and local NGOs and has played a leadership role for the Agency and the International Community in examining issues related to PVO/NGO partnering and local NGO capacity building. In order to deepen our understanding and to focus Agency attention on these critical

areas, PVC has commissioned a number of studies over the last year and convened inter-agency working groups.

*Assessment of the State of the USAID/PVO Partnership.* As PVC worked closely with the Advisory Committee on Voluntary Foreign Aid, (ACVFA), on the design and implementation of this important study. The report contains detailed recommendations on improving mutual understanding, developing a common agenda and increasing the effectiveness of joint programs. A key recommendation from the report was to provide assistance to USAID staff and PVOs on the development and use of results-oriented assistance instruments. This recommendation culminated in the development of the electronic resource, *Operational Guide for Results-Oriented Grants and Cooperative Agreements*. The source book, is currently available on the USAID Website.

*PVO Perceptions of Their Cooperation with NGOs.* PVC commissioned this study to guide the deliberations of the IR3 Team as it develops an action plan to enhance PVO-NGO collaboration. The study looks at the current state of collaboration between PVOs and NGOs from both the NGO and PVO perspective, and identifies issues and recommendations for promoting PVO-NGO partnering:

*The Agency Resource Group on PVO/NGO Capacity Building:* Recognizing that there is a need for broader information sharing and improved coordination among the different parts of the Agency related to capacity building for U.S. PVOs and local NGOs, PVC has organized an Agency Resource Group with representatives from PPC, the Global Bureau and the Geographic Bureaus. As a first step, PVC commissioned a broad study of the Agency's efforts in capacity building of local NGOs. This study looked at the mechanisms and approaches used by each of the different Bureaus for local NGO capacity building and highlighted innovative approaches. This group will now engage with the USAID Missions to facilitate the sharing of information with them on local NGO capacity building and to support their efforts in this area.

*International Working Group on Capacity Building of Southern NGOs (IWGCB).* PVC has taken a prominent role in the establishment of the IWGCB, a new international forum where the local, or "southern" NGOs, can come together with the U.S. PVOs, other northern NGOs, and the major donors to have a frank dialogue about their capacity building needs, and how capacity building programs can be made most responsive to their emerging needs. This is a truly global forum, where all the stakeholders can share information on capacity building programs, promote innovative approaches and best practices, and improve collaboration on the ground. This forum will be enormously valuable to PVC's efforts to understand the changing dynamics between the U.S. PVOs and Southern NGOs, to identify the best ways for it so support the efforts of U. S. PVOs to build the capacity of southern NGOs, and to establish a "feedback loop" with the NGO customers in the south.

As a key member of the steering committee, PVC played a lead role in organizing an

international conference on NGO capacity building in Brussels May 1998, that brought together 60 NGOs, 30 PVOs, and 30 donor agencies to formally launch the IWGCB. In preparation for the meeting PVC, in collaboration with the World Bank, conducted a study on what bilateral, multilateral, and foundation donors have been doing to strengthen NGOs. PVC also supported parallel studies of activities of U.S. PVOs and European NGOs to strengthen southern NGOs and surveys of more than 850 NGOs in Africa, Asia and Latin America to identify their perceived capacity building needs and priorities. These studies will provide the foundation for a PVC action plan to work with the rest of the Agency, other donors and its PVO partners to strengthen southern NGOs.

*Case studies of Intersectoral Partnering Between PVOs/NGOs, Government and Private Business:* In a related area, PVC has been responsive to the interest of the Agency and Missions to better understand the dynamics of Intersectoral partnerships between PVOs and NGOs and actors in other sectors. PVC has worked with the Institute for Development Research and the Missions in Madagascar, India, South Africa and the Philippines to prepare case studies of successful Intersectoral partnerships. Within this context, PVC plans to work with the Missions to better understand and to address emerging issues in collaboration between local NGOs and host country governments.

*Innovative Approaches to Child Survival - Summaries of Evaluation studies.* This cluster of strategic evaluations, developed in collaboration with the Global Bureau, broadens our understanding of the impact of PVO programs. Highlights from these performance case studies which illustrate various facets of program sustainability, approaches to improve health worker performance and low-cost methods of combating childhood malnutrition from four PVC-funded Child Survival grant recipients are in Annex 2.

PVC's performance over the past year, coupled with current and planned programmatic and management actions, provide a solid basis for projecting a positive prognosis for achieving the SO by FY 2000. Section II, below, contains details on progress toward objectives at the SO and IR levels, and discusses management and programmatic actions in depth.

## PART II PROGRESS TOWARD OBJECTIVES

### A. SUMMARY TABLE

Strategic Objectives Intermediate Results	Indicators	Rating	Evaluation Findings
<b>SO1:</b> Increased Capability of PVC's PVO Partners to Achieve Sustainable Service Delivery	Change in the mean capacity score of PVC-supported PVOs on PVC-developed capacity self-assessment instrument		FY2000 targets set
	Change in the number of members of formal networks or associations of voluntary organizations	Exceeded	
	Change in key measures of child survival program performance		FY99 targets set
	Change in key microenterprise measures of performance	Baseline	
	Percent change in key measures of sustainability	1) Baseline	
		2) Failed to Meet	
<b>IR1:</b> Operational and Technical Capacity of US PVOs Improved	Percent PVOs that develop quality program plans	Exceeded	
	Percent of PVOs that adopt a systematic approach to program monitoring and impact evaluation	Baseline	
<b>IR2:</b> Strengthened Partnership between USAID and US PVOs	Percentage of recommendations presented by ACVFA that are adopted by USAID	Met	
	Percentage of USAID program funds channeled through US PVOs	N/A	Not available
<b>IR3:</b> Strengthened US PVO and NGO Partnership	Percent of PVC grants where there has been a clear transfer of resources by the PVOs to local level partners	Exceeded	
	Percent of PVC grants where the PVO has clearly established formal partnerships with local partners	Exceeded	
	Percent of PVC grants in which local partners have access to the internet	Exceeded	
<b>IR4:</b> Improved Mobilization of Resources by PVC's PVO Partners	The percent of PVC grantees with a non-diversified funding base	Exceeded	

Strategic Objectives Intermediate Results	Indicators	Rating	Evaluation Findings
<b>IR5:</b> US Public Awareness Raised	Percent PVC grantees that measure changes in the awareness and understanding of US audiences of the importance of global sustainable development	Exceeded	

## **B. PERFORMANCE ANALYSIS**

### **1. PROGRESS TOWARD ACHIEVING STRATEGIC OBJECTIVE**

PVC's primary mandate is to strengthen the capacity of the U.S. PVO community to enable it to provide more sustainable development assistance. The Office's Strategic Objective (SO), *"increased capability of PVC's PVO partners to achieve sustainable service delivery,"* reflects this mandate as do the six indicators that measure the three key dimensions of the strategic objective: two indicators to measure changes in PVO capacity; two to measure changes in service delivery; and two to measure sustainability. Progress in relation to these indicators is discussed below.

### **Capacity-Building Indicators**

#### **Indicator 1 (DOSA)**

Change in the mean capacity score of PVC-supported PVOs on PVC-developed capacity self-assessment instrument.

**Results:** The mean capacity for the PVO cohort shows slight increases in four of six areas. Change can be characterized as "slow but steady."

### **Breaking New Ground: Measuring Organizational Achievements with DOSA**

Assessing change in organizational capacity is a tremendous challenge. The DOSA (Discussion-Oriented Organizational Self-Assessment) is an approach developed by PVC for measuring the organizational capacity of the Bureau's PVO partners. DOSA profiles organizational capacities in six critical areas: (1) human resource management; (2) financial resource management; (3) service delivery; (4) organizational learning; (5) external relations; and (6) strategic management.

The approach was developed with significant input from many PVO organizational capacity development practitioners. PVC is committed to using DOSA with selected PVOs over a five-year period to determine its impact on the PVO community.

#### **# The Methodology**

The DOSA methodology enables PVOs to assess over time the degree to which such activities are contributing to significant change. Exacting procedures have been introduced to maintain the reliability and validity of the DOSA results. See Annex A or the DOSA Page Website

(<http://www.edc.org/INT/CapDev/dosapage.htm>) for a more detailed description of the methodology and analysis.

DOSA uses a mix of group discussion questions and individual responses to questionnaire items to evaluate organizational effectiveness and promote organizational learning. DOSA scoring enables PVC to observe relative PVO organizational strengths and weaknesses. Once results are known, DOSA can guide PVOs to resources that will help them plan specific actions to address specific weaknesses.

DOSA includes a number of unique features, which are outlined below.

- DOSA employs a structured, **facilitated discussion method using "critical incidents"** to bolster reliability and validity of the self-assessment tool.
- DOSA introduces an **organizational consensus** dimension that bolsters the validity of the self-assessment, enriches organizational analysis and encourages capacity-building through the analysis of divergent viewpoints.
- The self-assessment is conducted by a representative **cross-functional, cross-hierarchical organizational capacity assessment team**, which provides an opportunity for open, structured communication across these traditional organizational boundaries.
- DOSA includes **techniques that enable users to benchmark** their individual organizational scores against those of peer organizations.
- DOSA uses the **Internet to disseminate results and findings** among members to foster and stimulate dialogue on the use of assessment results to support organizational transformation.
- DOSA includes **companion tools** that help participants plan, monitor, and implement change strategies that are fully consistent with perceived strengths and weaknesses.
- DOSA also enables users to **profile various sub-capacity areas**, such as the sustainability sub-scale, which examines the degree to which organizations design and implement projects in terms of various aspects of sustainability.

In 1997, 13 international development PVOs were selected by USAID/PVC to participate in DOSA. The cohort was designed to include organizations of various sizes and working in a variety of sectors. The cohort is demographically representative both in terms of the countries where they work and the locations of their U.S. offices. In 1998, the cohort includes the original 13, plus four new PVOs.

## # **The Importance of DOSA to the Agency**

A priority issue within PVC programs and across many Agency operating units is to institutionalize an approach to monitoring the performance of capacity building programs. PVC and our PVO partners' experience with DOSA and other capacity assessment tools will help us set norms or standards in capacity building and provide a foundation for a common Agency-wide approach.

The development of DOSA addresses the high demand for innovative tools and techniques to measure and manage organizational development. For example:

- UNDP recently introduced an adaptation of DOSA called POET (Participatory Organizational Evaluation Tool) which is designed for use by southern NGOs.
- The Johnson Foundation is supporting a conference for DOSA users and is exploring the application of DOSA to a cohort of nonprofit organizations, creating a mini Lessons Without Borders case study.
- Ben Gurion University has initiated a project to adapt DOSA to the needs of a network of educational institutions that it serves.
- Education Development Center intends to use DOSA as the framework for its capacity building efforts in Russia, while PACT is now using DOSA in several of its field-based projects in Asia and Africa. CARE has adapted DOSA for use with its partner organizations.

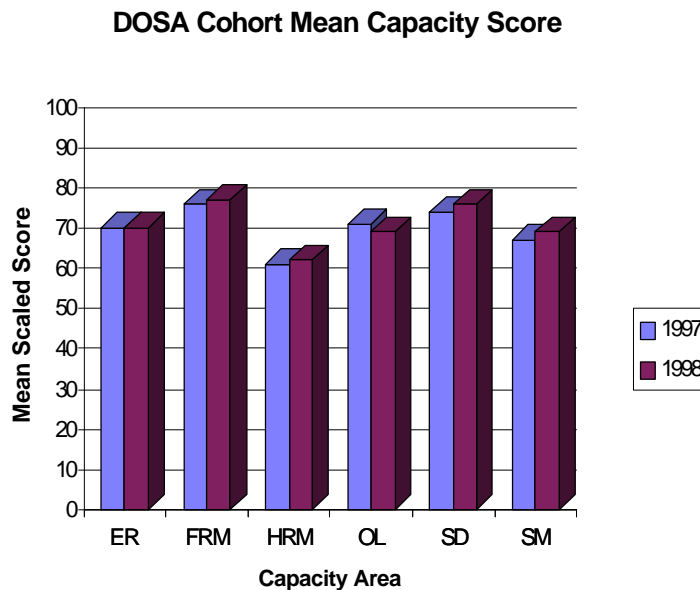
General interest in DOSA has been very high, as evidenced by website traffic. In the ten months since its inception, over 7500 visitors have logged onto the DOSAPage. The number of monthly visitors has increased from 90 in June of 1997 to 1,039 in March 1998.

## **# Progress and Results**

*The results from this second year of DOSA assessment indicate that the capacity for the group of PVOs in the cohort has shown a slight but measurable increase.* The results also confirm our expectations that organizational capacity development is a long-term process in which change from year-to-year is incremental, and the rate of change varies from organization to organization.

The mean capacity for the cohort of PVOs held steady in the area of external relations (ER), and it increased slightly in the areas of financial resource management (FRM), human resource management (HRM), service delivery (SD), and strategic management (SM). In 1997, the capacity scores, ranked from highest to lowest, were (1) financial resource management, (2) service delivery, (3) organizational learning, (4) external relations, (5) strategic management, and (6) human resource management. The capacity scores were ranked from highest to lowest and the two years were compared. All rankings remained the same with the exception of organizational learning and external relations, which switched places.

The following graph illustrates the 1997 and 1998 cohort average capacity score for each of the six core capacity areas measured by DOSA. The data is based on the 1997 and 1998 results from seven representative participating PVOs.



## # Factors Contributing to or Affecting Performance

When measuring impact, it is useful to look not only at the mean capacity scores, but also at the percentage of the cohort falling in each capacity band and how the distribution of organizations changes over time. An interval analysis (showing movement across bands) provides much more information about trends and the dynamics of change than does a comparison of aggregated capacity score averages. Analysis revealed the following changes in distribution of the DOSA cohort's capacity scores from 1997 to 1998:

- 71% (five PVOs) experienced absolute upward movement across one or more scoring intervals, in at least one capacity area;
- 29% (two PVOs) experienced no absolute upward movement;
- 57% (four PVOs) experienced absolute downward movement across one or more scoring intervals in at least one capacity area;
- 43% (three PVOs) experienced no absolute downward movement.

*Generally speaking, the cohort appears inclined toward incremental change that can be characterized as "slow but steady." While performance grew stronger, the pattern by which this*

occurred is uneven across organizations and capacity areas. The implications of this analysis are:

- Capacity development efforts targeted toward PVOs should be incremental and reflect the evolutionary nature of change.
- Areas of high volatility (financial resource management and human resource management) probably require ongoing attention to systems maintenance and revision in order to sustain gains made through capacity development initiatives.
- Volatility will affect performance. It is unlikely that PVO performance will be linear, with organizations showing predictable gains in performance from year-to-year.

Finally, the heightened standards and expectations (an outgrowth of the DOSA process) may mitigate against a steady increase in DOSA capacity area scores, year after year across the cohort.

#### # **Expected Progress through FY 2000 and Management Actions**

PVC recognizes that organizational capacity development is a long-term process that requires practical tools and approaches that are compatible to the environment in which the PVOs work. Because DOSA is a self-assessment tool, as opposed to an externally imposed assessment, it is well matched to the PVO operating environment. To some degree, however, the long-term nature of capacity building is at variance with short-term target setting. PVC does not believe that it is useful at this point to set yearly performance targets for this indicator. While PVC will track and report on progress and trends each year, targets have been set for FY 2000 only.

Based on the current interest in the DOSA by U.S.-based PVOs, we estimate that by the year 2000, approximately 50 of USAID's major PVO partners will have participated in a DOSA training. PVC will track and report on the increased use by our PVO partners of organizational capacity assessment tools, and the actions they have taken to build capacity.

PVC will take new steps to address weak areas (such as human resource development) using the PVO networks, specialized capacity building projects such as GEM, and the new Child Survival Support Project. These new steps will be the focus of a session in the next RFA workshop.

PVC has built in a series of other measures that will contribute to our understanding of organizational change. For example, we conducted a phone survey of DOSA 1997 participants in August 1997 to determine how DOSA had contributed to organizational development. The response of the cohort was very positive overall, with *most respondents reporting that DOSA met their expectations and objectives, especially with regard to fostering dialogue and benchmarking performance*. DOSA also helps them to identify and take steps to address areas of organizational weakness. We will continue to monitor individual organizational change, document the lessons learned, and provide leadership in this critical area. The following text box illustrates some first-year lessons.

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## **The DOSA Change Process in Practice**

Several of the organizations in the 1997 cohort were in the process of restructuring and used DOSA as a tool to develop a common language for points of reference and to set goals. Mercy Corps embedded DOSA in a month-long, organization-wide internal planning and evaluation process. CRWRC used DOSA as the basis for an initiative to replace the hierarchical structure with a team-centered organizational approach. Winrock International established personal performance objectives for management, and implemented process audits in problem areas identified through the DOSA process.

Citizen's Network for Foreign Affairs gained new insight into its staffing procedures and, as a result, instituted new methods for posting position openings. The organization also identified a gender imbalance and addressed the issue through a campaign to recruit more women. CARE reported that DOSA afforded them a cross-divisional view of their organization and the opportunity to identify differences of opinion. This new perspective prompted CARE to develop a similar tool based on DOSA for use by its southern NGO partners.

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## **etworks**

In addition to examining DOSA's ability to draw the PVOs together and to coalesce a "change network," PVC has focused on the critical role that formal networks and associations play in enhancing member PVOs' capacity to strengthen themselves and to improve the environment in which they operate by: sharing state-of-the-art technologies and approaches; disseminating academic and practitioner-oriented literature; providing mechanisms for information exchange, peer consultations, and inter-organizational learning; and by encouraging common standards. In essence, PVC has been helping to create self-sustaining mechanisms for inter-organizational capacity building within the PVO community.

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### **Indicator 2**

Change in the number of members of formal networks or associations of voluntary organizations.

**Results:** 21% increase in network membership.

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## # **Progress and Results**

Comparison of the baseline with the FY97 data indicates that PVC exceeded its target. The total number of organizational members in the formal networks grew from 62 in FY96 to 75 in FY97.

## # **Factors Contributing to or Affecting Performance**

Over the past year, PVC has actively encouraged its grantees to participate in sectoral networks. The growth in these networks can be related to the benefits their members derive from joining and the efforts of the networks themselves to attract and retain members.

One such network--and the one responsible for almost all the increase in overall PVO network membership--is the Child Survival Collaborations and Resources Group (CORE). CORE fosters capacity-building and collaboration among its current and former USAID-grantee PVO membership to promote, improve, and expand quality international primary health care programs for women and children. Established in June 1997 with start-up funding from PVC, the CORE sectoral network has proved to be extremely popular with health and child survival implementors and today consists of 31 U.S.-based PVOs. The initiatives of the CORE Group are responsible for this popularity. For example, CORE has established working groups to develop work plans aimed at creating products of benefit to the collective CORE membership; publishes the quarterly *Update* newsletter; holds workshops and conferences; and facilitates formal and informal meetings with key organizations.

## # **Expected Progress through FY 2000 and Management Actions**

Since networks appear to be valued by their members and to be enjoying steady growth, the prospects for achieving targets by FY 2000 are good. Even so, PVC plans to watch the growth trend for these networks over the next year to determine whether a target of a 5% increase in membership remains realistic if no new networks are formed. PVC also intends to continue to stimulate the creation of new networks that arise among, or may be proposed by, its PVO partners. As noted above, PVC has stimulated another new special interest network, CorCom, which is focused on fostering collaborative relationships between PVOs and the business community. PVC expects that this network will also experience an influx of members in the initial years and steady growth thereafter.

## **Service Delivery Indicators**

A key element of PVC's strategic objectives is to ensure that increased PVO capacity results in improved services at the community level. In order to monitor this, PVC has chosen a small number of illustrative indicators in two sectors in which the office is most active: child survival and microenterprise development.

## Child Survival

### **Indicator 3**

Change in key measures of child survival program performance:

- Child Immunization Coverage
- Maternal Tetanus Immunization
- Exclusive Breastfeeding

**Results:** Increased performance trend in maternal immunization and exclusive breast-feeding. Performance in child immunization coverage remains good.

### # **Measuring Child Survival and Health Service Delivery Capacity**

PVC in collaboration with its Agency and external technical partners, made adjustments in the indicators that measure child survival service delivery performance. The Johns Hopkins University PVO Child Survival Support Program developed a Performance Index that will allow PVC to consolidate and compare health and child survival data across PVO projects. Baseline data have been adjusted to conform to changes in the indicators. The Strategic Objective Performance Monitoring Plans developed by the SO team contain a more detailed discussion of these measurement issues and options.

### # **Progress and Results**

#### ***Magnitude of the program***

*PVC-funded health and child survival projects are demonstrating increased capacity to deliver services effectively to a large population.* The scope of the PVC-funded health and child survival program, as estimated by the number of people benefiting from these services, is shown in the text box.

#### ***Performance***

*PVO child survival programs show an upward performance trend in two important interventions—maternal immunization and exclusive breastfeeding.* PVC expects these trends to continue. In general, PVO programs have been quite effective in increasing child

**Estimate of total people assisted by PVC  
Health and Child Survival Programs in  
FY 1997\***

**18.7 Million  
women and children**

\* **Beneficiary Population Estimates:** Includes children, live births during the project and women aged 15-49 eligible for project services.

immunization coverage. While, the performance index is within the range expected for this indicator, there are indications that performance is at a plateau. The target is to maintain the baseline performance level.

The performance data in Table 1 illustrates "the proportion of the problem eliminated by the program."<sup>1</sup> In other words, the performance index measures how much of the *gap* was closed by project activity. Scores range from zero to 100. A baseline score of 35% for immunization coverage means that, on the average, PVO immunization activities achieved 35% of the coverage improvement that was possible.

**Table 1: Child Survival Performance Index by Year and Intervention**

<b>Performance Index</b> (Percent of coverage gap closed)	1994	1995	1996	<b>Baseline 3-year mean</b>	1997
Child Immunization	35%	30%	41%	<b>35%</b>	27%
Maternal Tetanus Immunization	11%	13%	15%	<b>13%</b>	17%
Exclusive Breastfeeding	20%	37%	33%	<b>30%</b>	38%

In order to provide more precise estimates of programs' effects, a three-year mean was used to establish a baseline and to set targets for FY 99. While PVC will present and track this data on a year-to-year basis, accomplishments will be judged on a three-year mean. A more detailed discussion of the factors affecting performance of the individual indicators follows.

## # Factors Contributing to or Affecting Performance

There are several important trends that influence childhood immunization performance. *PVO activities operating in areas with low baseline immunization coverage achieved high performance rates.* In areas where baseline immunization coverage is high, it is difficult for all service providers, including PVOs, to increase coverage rates. In addition, *projects in Asia have better performance than projects in the African and LAC regions.* Much of the higher performance in Asia can be attributed to the initial low immunization coverage levels in areas where PVC-funded projects operate. In areas with a low population density (e.g. rural Africa, altiplano of Bolivia), it may be difficult to raise coverage above 75%, especially where the PVO

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<sup>1</sup> *Mohr, Lawrence B. Impact Analysis for Program Evaluation. 2<sup>nd</sup> Edition. Sage Publications: Newbury Park, pp. 5, 1995.*

staff are only promoting, but not actually themselves carrying out immunization.

In terms of future immunization performance, several things are likely to occur. As baseline levels of immunization coverage increase over time, we are unlikely to see substantial increases in performance in the immunization component of PVO projects. And PVOs will, and indeed are, shifting intervention emphasis. There is a noticeable decrease in the number of PVO programs working in direct delivery of immunization, or community mobilization or promotion of immunization services. There are indications that PVOs are shifting toward quality of care issues, i.e., improved health worker compliance with immunization standards.

The level of effort dedicated to maternal and newborn health activities has steadily increased in PVC-funded projects. *The cluster of indicators currently monitored within these projects demonstrates that PVOs are very successful in increasing women's knowledge of when to seek antenatal care. Tetanus Toxoid (TT) coverage also shows a modest but consistent increase.*

*Performance data for exclusive breastfeeding shows a general upward trend over time.* However, there are regional differences. While the small sample size does not allow definitive conclusions, Asian projects tend to have lower performance in promoting exclusive breastfeeding. Higher performance is associated with small PVO projects that work with a limited population; projects in areas with higher national literacy rates; and projects that have a high percent effort in HIV prevention. The reasons for the latter association are unclear but may relate to the communication approaches used to address complex behavioral interventions.

In summary, the PVOs show an improved capacity to deliver high-quality services. A compelling picture of the impact that PVO programs have on child survival can best be seen by examining the impact of individual activities. The Text box illustrates one example of high performance. Annex 2 contains additional profiles of high performance in PVC-funded health projects.

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**Bolivia: Impact—childhood mortality reduced by 50% in project area.**

Increased coverage of child survival services by the PVC-funded *Andean Rural Health Care* project led to clear and dramatic 50% reductions in infant and child mortality within a three- to six-year period.

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# **Expected Progress through FY 2000  
and Management Actions**

PVC expects that baseline level on the performance index for child immunization will not decline. Continued improvements consistent with the current rate of change are expected in the promotion of exclusive breastfeeding and tetanus coverage. PVC will monitor and, if necessary, adjust these targets over the next two years.

Although fewer PVOs are working specifically in the Control of Diarrheal Disease (CDD) interventions, PVC will continue to monitor performance trends in this area. It may be necessary to direct additional attention toward specific issues that affect CDD, i.e., the lack of continued

feeding during diarrhea.

PVC will continue to use TT coverage performance as a benchmark for maternal and newborn interventions. However, we believe that this cluster of interventions would benefit from the development of a composite performance indicator that combines knowledge and practice variables and more closely reflects measures associated with maternal health status or outcomes. PVC will initiate a dialogue with its PVO partners under the new child survival support contract to review and make recommendations on monitoring maternal and newborn health.

PVC is taking a number of steps to address performance issues. A series of meetings and consultancies with our PVO partners are planned to increase our understanding of service delivery performance and the impact of PVO programs:

- A Behavior Change Communications (BCC) workshop will be held in the fall of 1998. It will focus on helping PVOs to improve BCC methods, which are essential for achieving impact in child survival interventions.
- An Expert Consultation on PVO Child Survival Impact will be held June 1998. The meeting will identify and analyze common elements or patterns in the successful PVO projects and lessons from successful and unsuccessful projects.
- A meeting will be held with the PVOs to examine the issues related to immunization coverage.

Finally, the new Child Survival Technical Support Contract will commence in FY98. This agreement will be PVC's main vehicle for providing technical assistance to the PVOs and for estimating the effectiveness of PVC-funded child survival activities in achieving objectives and reaching the beneficiaries.

### **Microenterprise**

#### **Indicator 4**

Change in key microenterprise measures of performance

- Number of loans disbursed to target groups
- Amount of loans disbursed to target groups
- Percent of women borrowers

**Results:** There was a 75% increase in number of loans made to target groups. Women borrowers account for 66% of the loans.

## # Measuring Change in Microenterprise Service Delivery Capacity

PVC intends to use both the indicators and the Results Reporting (MRR) system developed by USAID Office of Microenterprise Development to provide regular reporting on USAID's microenterprise projects. Now that the MRR is online, PVC has modified the indicators to make them consistent with the system. This will ensure comparability across Agency programs. The results reported in this R4 are based on 1996 data. The 1997 data collection is in progress and the report on USAID microenterprise activities will be out within the next few months.

## # Progress and Results

Complete data on loan volume and dollar amount are available for 1996. A total of 379,326 loans, valued at approximately 116 million dollars, were disbursed to target groups in 1996.

More than 66% of those loans were to women borrowers. A matched subset of PVC-supported activities with data from 1995 and 1996 illustrates that *both the number of loans and the dollar amount of loans disbursed to target groups increased markedly from 1995 to 1996* (see table). PVC will continue to monitor the increased productivity of PVC-funded microenterprise activities.

Change in Loan Volume and Amount of 29 matched PVC-supported activities

	1995	1996
Number of Loans	146,843	258,027
Amount (\$millions)	\$63	\$84

The outreach of PVC's microenterprise program can be roughly estimated. Assuming that one loan is likely to benefit five household members, the approximate beneficiary base of the program in 1996 is 1,896,630 people.

## # Factors Contributing to or Affecting Performance

Between 1993 and 1996, the microenterprise funds available to PVC increased considerably. In conjunction with the 1994 Microenterprise Initiative, the microenterprise program funding in PVC rose from \$4.9 million in 1993 to \$8 million in 1994. Since 1994, PVC microenterprise program funding has remained at approximately \$8 million. While funding for these activities rose only 5% from 1995 to 1996, a 75% increase in the number and amount of loans disbursed to target groups was observed in the same time period.

These achievements can be attributed in part to the microenterprise institutional capacity-building by PVC in this sector. Increased emphasis has been placed on:

- Program designs that increase loan volume and beneficiary base with no increase in funding levels or time frame;

- Financial efficiency, capital reflow, and repayment rates;
- Leveraging loan capital from diverse sources;
- Technical assistance for institutional strengthening, sustainability, and financial management from PVC-funded projects and network.

These methodological improvements have clearly resulted in increased performance and productivity.

## # **Expected Progress through FY 2000 and Management Actions**

PVC expects to see loan volume continue to increase, though not at the same rate (see Performance Monitoring table). New and less experienced PVOs will replace programs currently online. Of particular importance to PVC is the sustainability of micro-finance institutions (discussed in the sustainability section).

## **Sustainability Indicators**

For PVO-initiated programs to succeed over the long term, forces within the local environment must emerge capable of taking over and sustaining them. Sustainability has many definitions and facets, but the ability to continue to finance a program is central. Activities that are supported directly by local organizations or the community are evidence that the activities address a recognized need.

### **Indicator 5**

Percent change in key measures of sustainability

- Percent of microenterprise programs that are operationally sustainable
- Percent of grant programs with evidence of financial inputs at the local level

**Results:** As of 1996, eight percent of microenterprise programs have achieved operational sustainability. There is a decline in the number of programs with local level financing for development activities.

## # **Measuring Sustainability**

The measurement of sustainability is a complex issue that requires: (1) uniform criteria on which to judge performance; (2) program monitoring to determine if sustainable program elements are in

place at end of the grant; and ideally, (3) a post-grant field verification. PVC has the first two elements in place.

While measurement of post-grant sustainability is critical for verification, PVC recognizes that the data collection costs to both PVC and the PVOs are potentially high. PVC reviewed the feasibility of field verification and concluded that with current staffing level and travel budgets, yearly measurement of post-grant sustainability for the R4 process is not within the management capacity of the office. PVC has scaled back its approach and will not include yearly post-grant measurements. For yearly R4 reporting purposes (recognizing that this is a predictive measure), we will document whether the foundations for sustainability are in place at the end of the grants.

PVC will report on the percentage of microenterprise programs that are operationally sustainable. This is a common indicator used by all implementors engaged in microenterprise activities. The office will continue to report on percentage of programs with evidence of financial inputs at the local level. Criteria and scoring for the indicators can be found in the Performance Monitoring Plans.

## # **Progress and Results**

### ***Operational Sustainability of Microenterprise Programs***

Operational sustainability is defined as the capacity of a financial institution to cover all of its operating costs with its own revenues. FY97 is the first year that data are available on operational sustainability (note: this is 1996 data). Eight percent of PVC-funded activities are operationally sustainable. While operational sustainability is the primary objective, PVC is tracking those organizations that are both operationally and financially sustainable and the number of institutions that have credible sustainability plans in place. USAID policy requires that partner institutions have credible plans for achieving financial sustainability within seven years from the time they initiate an agreement. Ten percent of microenterprise activities are financially sustainable and a substantial number (55%) of PVC-supported programs have acceptable sustainability plans in place.

### ***Financial Input at the local level***

*The indicator continues to show a decline in local-level financing for development activities.* Current year data show that 52% of PVC-funded programs had financial input at the local level as compared to 54% in 1996. This is consistent with a general decline in local level financial inputs reported between 1991 and 1995.

Programs that have local level financing depend, for the most part, on program beneficiaries as the source of financial inputs. User fees, income generation, fundraising, and voluntary community contributions are the main means of support. In the remaining cases, financial inputs came from local government.

Looking beyond financial inputs to other important local contributions, the data indicated that in 82% of PVC-funded programs there were local inputs of time or contribution of goods from communities, local NGOs, or local government. It is also interesting to note that there is a strong tendency for PVC-funded programs to attract local inputs from more than one source. Fifty percent of the programs with inputs from beneficiaries also had inputs from an additional source.

#### # **Factors Contributing to or Affecting Performance**

PVC concentration on institutional capacity building has resulted in a cadre of PVOs that are among the leaders in the micro-finance field worldwide. Many of these programs are engaged strictly in poverty lending and are well organized and effective. Having a system in place to monitor progress toward sustainability puts the PVC-supported PVOs a step ahead of many of the other USAID supported institutions.

The continued decline in the number of PVC-funded programs that utilize community financing or cost-recovery is a matter of concern and merits further discussion and analysis. Sustainability planning and documentation was identified as a weak area in PVC program applications. The PVOs, however, generally rate themselves highly on the DOSA program sustainability sub-indicator, perhaps reflecting the broader and longer time horizon of PVO programs. A review of the Performance Profiles in Annex 2 and

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**Fostering Sustainable National Organizations**— ACDI/VOCA created an Armenian NGO, VISTAA, to utilize unemployed agricultural specialists. After two years, VISTAA completed more than 30 TA assignments and employed more than 45 local specialists. VISTAA has attracted other clients, is charging a service fee, and expects to be self-sufficient by the end of 1998.

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the highlights of PVO programs found in text boxes throughout this document tend to support the PVO view on sustainability.

In the past year, PVC has placed additional emphasis on sustainability in the RFAs, program reviews, and the evaluation process. For example, PVC's Farmer-to-Farmer (FTF) program (a technical assistance program that fields U.S. volunteers to assist farmers, agribusinesses, and rural organizations) has put into place a system that will produce data on the effects on host country organizations after the end of volunteer assignments. PVC's sustainability and development services program, SDS, has also provided technical assistance and training on cost recovery and local resource mobilization. Finally, a more comprehensive definition of sustainability is warranted that goes beyond financial inputs at the local level and institutional sustainability.

## # **Expected Progress through FY 2000 and Management Actions**

PVC expects to see major progress in sustainability and has set targets accordingly. By the FY 2000, the Office expects to see:

- 75% of the PVC-funded microenterprise programs with credible sustainability plans, and 15% operationally sustainable;
- 10 % increase in programs with evidence of financial inputs at the local level.

As stated in the Overview, PVC has made sustainability a priority issue for the coming year and will take a number of actions to increase both understanding and action in this area.

In addition to changes in the RFAs, the Child Survival and Matching Grants programs will place additional emphasis on improving PVO sustainability planning and on monitoring capacity in the DIP review process. There will be special emphasis on program design, clarification of which elements in the program will be sustained, identification of sustainability indicators, and reporting. Specialized technical assistance on financial planning and sustainability is available through PVC's support contracts and PVC will expand its support to the PVO community for local resource mobilization through the SDS program.

PVC will work toward a more consistent approach to collecting and consolidating sustainability data across grant programs. Program evaluation plans and SOWs are being reconfigured to assess whether elements key to sustainability are in place at the end of the grant. PVC will be able to calculate the percentage of agreements that have in place the foundations for continuation of services or use of tools, techniques, or approaches. PVC is testing a sustainability checklist to be incorporated into all final and midterm evaluations of PVC-funded agreements. Finally, PVC will explore the utility of conducting a strategic evaluation to measure post-grant progress toward sustainability in FY99.

## **2. PROGRESS TOWARD INTERMEDIATE RESULTS**

The Intermediate Results (IRs) are the key foundation block for PVC's strategy. The office's IR Teams have made a major effort to focus programs to achieve good progress toward each of the

five IRs. Following the 1996 R4 Issues Meeting, PVC conducted an office-wide review of the indicators and baseline data. The IR Teams proposed revisions, developed more detailed Performance Monitoring Plans, recalculated baseline data where necessary, and produced more detailed analysis on factors that effect IR performance.

## **IR 1: Operational and Technical Capacity of US PVOs Improved**

Improving the operational and technical capacity of US PVOs directly affects their ability to achieve sustainable service delivery and to transfer this capacity to local NGOs. Capacity encompasses the abilities and the limits of the PVO to carry out the tasks necessary to achieve sustainable service delivery, including training and technical assistance provided to NGOs. The indicators for this IR follow.

### **Indicator 1.1:**

Percent of PVOs that develop quality program plans

**Results:** The quality of PVO program plans exceeded targets in four of the five quality areas.

### **Indicator 1.2**

Percent of PVOs that adopt a systematic approach to program monitoring and impact evaluation.

**Results:** Baseline was established—45% of PVC-funded programs have systematic approach to monitoring and evaluation.

## **# Measurement Issues**

As a result of the PVC review, the IR team refocused the IR and developed new indicators that focused on key areas in which performance results were most likely to be achieved in the next generation of PVC cooperative agreements.

The first indicator measures the quality of PVO program plans in five areas:

- result-oriented objectives
- indicators
- state-of-the-art (SOTA) technical interventions
- sustainability planning
- local level partnerships

Criteria for judging achievements were developed, and all Child Survival and Matching Grants program applications submitted for the 1997 and 1998 RFAs were scored to provide a new baseline and data for the current R4.

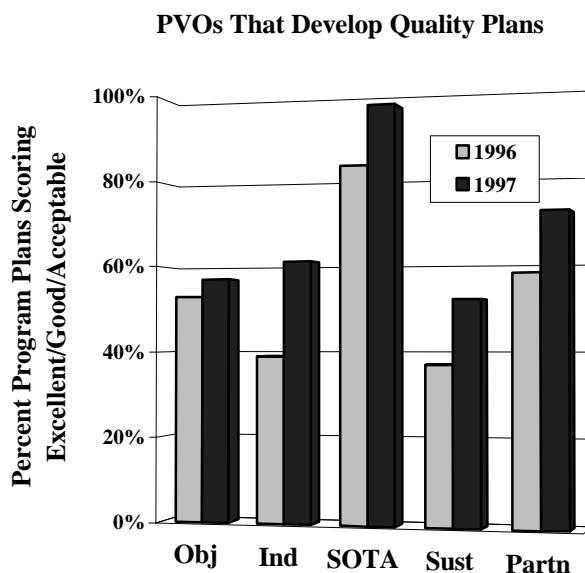
The second indicator measures the change in the capacity of PVOs to monitor program performance and measure impact. A random sample of Child Survival and Matching Grant program evaluations were reviewed for evidence of:

- collection and use of baseline and follow-up data
- consistent monitoring of program performance during program implementation
- the use of periodic review of performance data at the field level
- the institutionalization of a system to monitor program performance beyond the PVC-funded grant.

A more detailed description of the rationale for the indicators, criteria for judging achievements, targets, sampling, and methodology for measuring the indicators can be found in the IR 1 Performance Monitoring Plan.

## # Progress and Results

*Comparison of the baseline with the FY97 data indicates that the IR1.1 targets were surpassed in all categories except in results-oriented objectives, which fell slightly short of the target.*



Baseline data for IR1.1 indicates that the program planning capacity of PVOs was very strong in use of SOTA technical approaches but needs some improvements in developing results-oriented objectives and forging local level partnerships. The two weakest areas were sustainability planning and the use of appropriate indicators.

*Forty-five percent of the PVO programs had a systematic approach to monitoring program performance and measuring impact.* There was a fair amount of variation on the sub-elements. For example, it is clear from the document review that enormous gains have been made over the last ten years in measuring health and child survival outcomes using pre- and post-grant surveys. There is, however, a need to focus more attention on performance monitoring, specifically the use of data for implementation decision-making and use of operations research to identify, diagnose, and solve program performance problems.

The text box gives an example of how PVC-funded programs that have put into place a common approach to impact assessment can influence the entire operations of an organization.

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**Impact of PVC-funded programs on organizational capacity.** The results-oriented system developed by Winrock for the FTF program is serving as a model for an organization-wide system for design, implementation and reporting results of Winrock

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## # **Factors Contributing to or Affecting Performance**

More detailed analysis of the IR 1.1 baseline data indicates that the various technical sectors are at different levels of maturity with respect to their planning and implementation capacity . Several points stand out:

- The PVO child survival and health implementors, with their long history of measuring the impact of technical interventions and the common use of standard, well-documented health indicators, are quite advanced in their capacity to produce quality program plans.
- While the health and child survival PVOs consistently produce well thought out program plans with well matched intervention-specific indicators, they have not, for the most part, tackled the difficult issue of measuring their effect on the capacity of their local level partners to deliver quality services.
- It is clear from the program applications that the PVOs are working in partnership with local level groups and are engaged in capacity building activities. However, specific objectives and use of appropriate indicators to measure organizational strengthening of local level partners are under-emphasized in these technically-focused programs.
- The data also suggest that sustainability is a weak element in the planning capacity of PVOs. Attention must be given to the definition of elements in the program to be sustained, sustainability analyses, and the development of sustainability indicators.

Improvements in the quality of PVO plans from the baseline to current year can be attributed to a series of steps taken over the year:

- The first step was intensive debriefing with both successful and unsuccessful microenterprise program applicants regarding the strength and weakness of their proposals. As a result, in FY97, the Matching Grant Division had a record number of competitive grant applications submitted for the FY98 RFA, of which one-third were resubmissions.
- The revisions in the RFAs, the annual RFA conference sponsored by PVC, and the extensive consultation with PVOs not only during the conference but throughout the year, were prime factors in making sustainability and local level capacity priority issues.
- The PVO CORE network has put into place a monitoring and evaluation working group to address performance monitoring issues.
- A PVO Evaluation Workshop was held February 1998 and focused on specific issues, methods, and tools related to the evaluation of PVO Child Survival projects, including initial formative assessment and evaluation of program impact.

## # **Expected Progress through FY 2000 and Management Actions**

The prospects for achieving targets by FY 2000 are good. While across-the-board improvements are seen in IR 1.1, PVC is aware that there is a somewhat cyclic nature in the program application process, with some years yielding a stronger cadre of applicants. The IR team will monitor trends and adjust targets accordingly.

PVC will take several management actions to increase our ability to achieve and measure results:

- Promote the use of capacity assessment techniques, like the DOSA by PVOs with their NGO partners and include capacity-building indicators to complement intervention-specific indicators;
- Refine the grant evaluation process to make it easier to consolidate performance data across grant programs;
- Intensify the use of the program applicant debriefings and the DIP reviews to engage the PVOs in a technical dialogue on performance monitoring;
- Direct additional resources to sustainability as a fundamental cross-portfolio issue in the coming year;
- Consider additional changes to the RFAs to categorize project objectives and indicators in a more structured way.

It is important to realize that both the PVOs and PVC are learning about the use of performance indicators and performance monitoring. PVC will take an active role in the diffusion of success stories and lessons learned on performance monitoring issues, and in bringing PVOs together to share their knowledge and experience.

## **IR 2: Strengthened Partnership Between USAID and US PVOs**

A strengthened partnership between USAID and US PVOs is central to PVC's efforts to realize its strategic objective of increasing the capabilities of PVO partners to achieve sustainable service delivery. PVC continues to play a significant role in identifying and addressing issues of importance to the PVO community and to strengthening the USAID/PVO partnership. PVC is also engaged in matters of consequence to the U.S. PVO community in its capacity as Secretariat of the Advisory Committee on Voluntary Foreign Aid (ACVFA), which serves as a forum for consultation between USAID and the PVO community on partnership issues. ACVFA, in its advisory capacity to USAID, highlights areas of concern that deserve attention and in this way serves to strengthen the partnership. PVC continues to devote attention to the USAID-PVO partnership in a variety of ways, such as the entry of PVOs that are new to our competitive grant programs. PVC has also expanded collaboration with members of the PVO community who have

become external members of PVC's IR teams. The annual RFA Workshop ran for a full two days in 1997, offering technical training and informative sessions to benefit the community as well as presenting the competitive RCAS in a user-friendly venue. The indicators for this IR are:

**Indicator 2.1:**

Percentage of recommendations presented by the ACVFA that are adopted by USAID.

**Results:** 54% of recommendations adopted as compared to baseline of 48%

**Indicator 2.2**

Percentage of USAID program funds channeled through US PVOs.

**Results:** Data not available

# **Measurement Issues**

To measure progress in the USAID/PVO partnership, PVC has continued to track the ACVFA recommendations adopted by the Agency, and to track the percentage of development assistance that is channeled through U.S. PVOs. Since last year's R4, the ACVFA term expired and new membership was appointed for a two-year period. As the new ACVFA sets to work, we will be able to ascertain whether the new membership will continue to issue recommendations in a similar format to that of the former ACVFA. This may have implications for our measurement of partnership issues. Further, we do not expect that all of the recommendations will be acted upon, either because of differing perspectives on the issue (such as "exploring opportunities to reallocate resources to the New Partnerships Initiative" [10/95; 12/96]), or because of recommendations becoming somewhat dated (for example, "issue and disseminate a short briefing paper highlighting the critical junctures for PVOs in the reengineering process" [6/95]).

Indicator 2.2 presented a challenge since the last R4 because of (1) the unavailability of Agency budget data for FY 1996 resulting from the conversion to the New Management System, and (2) the fact that FY 1997 data has not yet been completed. In spite of the failure to track the percentage of funds channeled to PVOs in 1996, the indicator is an important bellwether of the USAID/PVO partnership. There are currently no plans to change the indicator.

# **Progress and Results**

The baseline for indicator 2.1 was 48% of ACVFA recommendations adopted and implemented. This year, 54% of the recommendations from the ACVFA have now been adopted or are in progress, which achieves the target of 55% for this year. Last year's R4 set targets at 55% of

recommendations accepted for FY 1997 and 60% of recommendations accepted for FY 1998.

PVC leadership advanced the AID/PVO policy agenda, completing the following four key items this reporting period:

- Appointment of the next Advisory Committee on Voluntary Foreign Aid: with the active engagement of PVC management, the new membership was presented to the Administrator. The new ACVFA was put in place in a timely manner, with no hiatus between the old and new committees. Continuity was ensured by the reappointment of several members, and great care was taken to ensure a wider breadth of experience and greater diversity.
- The recommendation to establish a Joint Task Force on Cost Share Policy was acted upon. Members were appointed and this work is under way.
- Action was taken to raise the importance of accounting for funds to the PVO community. This responds to the intent of the Vice President Gore commitment of 40% program funds through PVOs. Progress toward this recommendation was accomplished through inclusion in the R4 guidance to the missions and central operating units requiring data on the share of USAID resources that are programmed through PVOs.
- *An Operational Guide for Developing Results-Oriented Grants and Cooperative Agreements* was developed. This source book is now on the Agency internal website and is awaiting approval to be placed on the external web page. It is anticipated that the guide will assist staff in adopting appropriate models and practices to design and implement result-oriented assistance instruments. The guide will be a valuable training document for USAID staff and a comprehensive, one-stop source of information for PVOs.

Indicator 2.2 is dependent on Agency data. These data have been unavailable for the past year and are still in the collection process for 1997. In spite of this, an interruption in the upward trend is not anticipated, and it is expected that the target of three percentage points will be close to the mark. One reason is that agreements with PVOs are for periods of at least three or five years for the life of program. The other rationale for the view that Agency support of PVOs has increased is the vigorous state of the partnership as reported in the ACVFA Assessment of the USAID/PVO Partnership completed in June 1997.

#### **# Factors Contributing to or Affecting Achievements**

Both indicators reflect the state of the partnership between USAID and the PVO community. The ability of PVC to help ensure successful progress and track the indicators is also dependent upon the actions of a number of Agency operating units. Progress of the indicators should be viewed in that light. Certainly important contributing factors were the continuity in Agency leadership, PVC's commitment to provide staff support to ACVFA, cooperation of M/OP (particularly the procurement ombudsman and the policy unit), and the successful interventions of ACVFA in the

regional and central bureaus. A positive indication of the strengthened partnership is the Agency's decision to appoint two former ACVFA members to top leadership positions.

#### **# Expected Progress Through FY 2000 and Management Actions**

The reliability of data for Indicators 1 and 2 will be reassessed during the next several months. This information remains a desirable, appropriate, and highly relevant measure of the strength of the partnership. In several months' time, we will be better able to ascertain whether the newly appointed ACVFA will, as in the past, generate a new set of recommendations enabling their tracking. At that time, we will revisit the issue of target setting for Indicator 2.1. The reliability of budget data collected from both R4 reporting and the existing ACSI system will also be clarified. PVC will continue to manage its grant programs and other activities with the PVO community with an eye toward sustaining and strengthening the USAID/PVO partnership, and will continue its efforts to promote collaboration between PVOs and the rest of the Agency

### **IR 3: Strengthened U.S. PVO and NGO Partnership**

This is a key IR, which not only supports PVC's Strategic Objective, and contributes directly to the subgoal of the office, "NGOs and other local partners strengthened". Intermediate Result 3 focuses on the relationships that link US PVOs and local NGO or other non-profit organizations overseas.

As noted in the Overview Section, USAID and other donors are becoming increasingly aware of the importance of strengthening local or "southern" NGOs and the major role that U.S. PVOs play in this process. PVC has played a leadership role with the PVO community and Agency in helping to focus attention on the changing dynamics in the relationship between U. S. PVOs and local NGOs, and to encourage U. S. PVOs to shift from a direct service delivery role to an intermediary role to support the capacity development of local NGOs.

The objective of fostering partnerships between PVOs and NGOs is to bring the unique strengths, experiences, and insights of the two types of organizations together in a synergistic way to increase the impact of development assistance activities and to build and sustain the capacity of local NGOs to promote effective development at the community level. A strong partnership implies, among other things, a sharing of resources and transparency and clarity on roles and responsibilities. Strengthening local organizations implies, among other things, linking local organizations into an information network with a broad range of actors in the development community.

**Indicator 3.1**

Percent of PVC grants where there has been a clear transfer of resources by the PVO to local-level partners.

**Results:** 64% of the PVOs transferred resources to local partners in FY97 as compared to 55% in FY96.

**Indicator 3.2**

Percent of PVC grants where the PVO has clearly established formal partnership with local partners.

**Results:** 75% of the PVOs have formal partnership with local partners.

**Indicator 3.3**

Percent of PVC grants in which local partners have access to the Internet.

**Results:** 70% of local partners have access to the Internet or e-mail, as compared to 46% in FY96.

## # Measurement Issues

The IR3 team clarified several conceptual and measurement issues; put into place a more rigorous sampling procedures; and developed a more structured, detailed questionnaire to provide in-depth information on which to guide program actions.

## # Progress and Results

### *Resource Transfer*

*There was a strong increase over the baseline year in the number of PVOs that transferred resources to their local partners. Resources were defined as funds, in-kind resources, or technical assistance. This is in sharp contrast to the prior years where little changes was seen.*

#### **Percent of grants that transferred resources to local partners**

<b>1996</b>	<b>55%</b>
<b>1997</b>	<b>64%</b>

More detailed analysis from this year's survey indicated that the PVOs have partnered with a wide range of local groups. Among the PVOs that have local partner:

- 53% of these partners are local non-profit organizations;
- 2% are with the PVO's local affiliate;
- 35% are with local businesses;
- 10% are with local government agencies.

PVOs working in the health sector frequently partnered with local government agencies. This is a particularly important partnership because extensive decentralization is taking place in health planning and implementation in the public sector. PVOs play a critical role in assisting national governments to carry out these policy directives. While strengthening national NGOs is a PVC sub-goal, the office does not intend to lose sight of the large number of U.S. and local PVOs that are working with local-level government and that will track the institutional strengthening occurring between the partners.

PVC took a more detailed look at the magnitude and kinds of resources that were transferred to local NGO partners. The 1997 data indicate that:

- In 48% of the PVO agreements surveyed, funds were transferred directly to their NGO partner.
- The total funds transferred from PVOs to the NGO partners, in the agreements sampled, amounted to 5.7 million dollars. These data can be extrapolated to provide a yearly estimate of \$ 12 million dollars transferred to southern NGOs by PVC-funded projects in 1997. Most of these funds were managed and disbursed by the NGOs partners.
- The PVOs surveyed spent an additional \$8.3 million on training and technical assistance to strengthen the financial management, monitoring, evaluation and technical capacity of their NGO partners. A portfolio estimate is that approximately \$ 18 million was spent by PVC-funded projects to strengthen southern NGOs.
- In 61% of the agreements, PVOs assisted their NGO partners to leverage resources from external sources.

PVC considers that increased resource-sharing is evidence of a strengthened partnership between PVOs and their local partners. PVC will continue to monitor trends in resource transfer to NGO partners.

### ***Formal Partnerships***

*A large number (75%) of PVOs have established formal partnerships with local public or private sector groups.* Formal partnerships are defined as having a joint signed memorandum of understanding. While a larger number of PVO's have local level partners PVC is concerned with

strengthening local NGOs and seeks to increase the number of PVOs working with local level NGOs. Over the past six years, there was little or no change in the number of PVOs with formal partnerships with NGOs. However, a closer look at data reveals that the 70% of PVOs in both the Child Survival and Matching Grants programs have NGO partners. It is interesting to note that a small percentage (26%) of the PVOs surveyed had either sub-grant agreements or contracts with their local partners.

### ***Access to Communication Technologies***

*Access to modern communication technologies has increased substantially over the baseline year. While it is assumed that this increase reflects the rapid expansion of the Internet in developing countries, it should be noted that 26% of grant recipients surveyed used grant resources to assist their local partners to gain access to modern communication technologies.*

Fifteen percent of the volunteers in the Farmer-to-Farmer program remained in contact through e-mail with their host organizations following their field visits. In addition, there is evidence that local NGOs are using the Internet to update their technical skills. The example in Text box illustrates the power of the Internet to link local organizations to important resources. The more detailed Performance Profile is in Annex 2.

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#### **The Internet provides NGOs with quick access to technical information**

Partners of the Americas held a n Internet workshop that helped local NGOs to gain access to practical agricultural information, pricing and markets and to solve technical problems. For example, an Ecuadorian participant used the Internet to send a photograph of a potato pest to experts at the University of Kentucky, receiving speedy identification and advice.

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### **# Factors Contributing to or Affecting Performance**

As cited in the Overview, during FY 1997 PVC was active in carrying out studies to better understand the changing dynamics between the U. S. PVOs and local NGOs and in establishing a foundation for strong collaboration for both more effective development activities and for strengthening local NGOs. The IR team:

- Expanded the IR3 Team to include several external partners from U.S. PVOs;
- Commissioned two studies by the Institute for Development Research (IDR), one on the current status of PVO-NGO partnering from the PVO perspective and the other on best practices on intersectoral partnering;
- Disseminated the findings from these studies to a broad PVO audience at the annual RFA conference, and
- Provided a forum at the RFA conference for the PVOs to discuss partnering and

performance monitoring issues.

PVC also included in the Child Survival and Matching Grants RFAs a requirement that PVO grant applicants establish formal partnerships with a local NGO, or other partner. The office required documentation of how the local NGO partner participated in proposal design, how the local NGO would contribute to program implementation, and how it would be strengthened as a result of the program. PVC also introduced a requirement that the U.S. PVO sign a formal MOU with its local partners.

PVC has accelerated its work in this important area in FY 98, working on an expanded and increasingly visible basis with the rest of the Agency and the broader donor community on the issues of PVO/NGO partnering and capacity building for local NGOs. As noted in the Overview, PVC has created an Agency Resource Group on PVO/NGO Capacity Building to bring together the different Bureaus to focus on this issue, and it has played a prominent role in organizing and launching the major new International Working Group on Capacity Building for southern NGOs.

#### # **Expected Progress through FY 2000 and Management Actions**

PVO-NGO partnering and capacity building for local NGOs is rapidly emerging as a major priority for PVC, the Agency, and the donor community. Over the next two years, PVC plans to dedicate increased energy and resources to this critical area and to expand its leadership role with the PVO community, the Agency and the donor community. The following are some of the key actions PVC expects to take:

- *Increased emphasis on PVO/NGO partnering in the RFAs:* PVC will draw on the lessons learned from the IDR study of PVO/NGO partnering cited in Part I of this report and the PVO's experience to give this area increased, appropriate, emphasis in its future RFAs. PVC will also engage with the FY 98 grantees to review and learn from the MOUs and capacity strengthening plans they have developed with their local NGO partners.
- *Case studies of successful PVO/NGO partnerships:* PVC will continue learning about partnerships through a series of case studies of successful PVO/NGO partnerships.
- *TA and Training Support for PVO/NGO partnering through GEM:* PVC's Global Excellence in Management Program (GEM) with Case Western Reserve will work closely with a number of PVC's grantees to provide them with customized TA and training in partnering practices.
- *Development of a "tool box" on techniques and methodologies for partnering and local NGO capacity building.* The IR 3 team, which includes a number of PVOs experienced in this area, is interested in creating a web page with a series of techniques and methodologies in this area that can be accessed by the PVOs and Missions.

- *Expand collaboration with the other Bureaus to improve information sharing and to document and disseminate innovative Agency approaches to capacity building of local NGOs:* PVC plans to strengthen the Agency Resource Group on PVO/NGO capacity building as a forum for information sharing and exchange on PVO/NGO partnering and local NGO capacity building within the Agency. PVC plans to work with this group, in collaboration with CDIE to document the Agency's innovative practices in local NGO capacity building and to share them with the USAID Missions and the PVO community.
- *Increase direct support to the USAID Missions for local NGO capacity building:* PVC plans to increase information sharing and assistance to Missions for capacity building of NGOs in areas such as program design, assessments, and replication of innovative approaches.

#### **IR 4: Improved Mobilization of Resources by PVC's PVO Partners**

A broad and diversified funding base that avoids over-dependence on any one donor is a critical factor in PVO sustainability. In the current environment of shrinking resources within USAID, the PVO community must turn to other means of mobilizing financial and human resources in order to maintain or increase the current level of service delivery. PVC has emphasized working with its partners to leverage resources, improve their capacity to identify and access new funding, and create networks or confederations to share financial and human resources. This indicator looks at how dependent PVOs are on USAID support by estimating the number and percentage of PVC's U.S. PVO partners that receive a large proportion of their total revenues from USAID, and so are vulnerable to fluctuations in donor resources. PVOs that derive more than 70% of their total revenues from USAID funding were considered vulnerable.

#### **IR 4 Indicator 1**

The percent of PVC grantees with a non-diversified funding base.

**Result:** Decrease from 19% to 13% in the number of PVOs with a non-diversified funding base .

#### **# Measurement Issues**

The IR team reviewed the 1996 R4 data and simplified the approach to measuring achievement under this IR. One indicator (the percent of PVC grants to grantees with an annual budget less than \$50 million that report some in-kind contribution) was dropped because of the unreliability of the data. PVC has updated the baseline figures cited in last year's R4 with more complete data from the *Report of American Voluntary Agencies Engaged in Overseas Relief and Development Registered with the U.S. Agency for International Development* (VOLAG).

#### **# Progress and Results**

As shown in the accompanying text box, *the number of PVOs classified as having a less diverse funding base has decreased*. Stated differently, the number of PVOs with a diversified funding base has increased.

The data were stratified to determine if lack of financial diversification was associated with organizational size. PVOs with a less diverse funding base tend to be small to mid-size organizations, i.e., those with total revenues in the \$5 million to \$25 million range. Thirty percent of the financially vulnerable PVOs were clustered in this size category. This trend was seen in all three years.

#### **Percent of PVOs that have a non-diversified funding base by year**

<b>1996</b>	<b>13%</b>
<b>1995</b>	<b>19%</b>
<b>1994</b>	<b>16%</b>

calculated from VOLAG Data

In addition to the two broad categories of Public and Private Support as defined in the VOLAG, the IR team looked at the composition of the private support category. Private support consists of three revenue streams: in-kind contribution; private contribution; and private revenue. The first two categories of support relate to the effectiveness of organizations in their development and marketing strategies. The third category, private revenue or money earned by the organizations, is of particular interest to PVC. *The private revenue stream has increased in organizations of all sizes and the data shows this trend holds across all three years.*

#### **# Factors Contributing to or Affecting Performance**

By itself, VOLAG data doesn't provide sufficient detail on institutional development to allow PVC to target resources more precisely to make a substantive difference in the area of financial sustainability and institutional financial diversity.

PVC has used the SDS project to assist our PVO partners to assist them in diversifying their funding base. The positive upward changes in private revenue generally correspond to the work SDS is charged with and is related to areas of (1) enhanced organizational vision and commitment to financial sustainability; (2) reorganization of financial responsibilities; (3) improved financial practices and capacity; (4) concrete steps taken, (market studies, improved program models); and (5) broadening of revenue generating approaches.

PVC program actions have been catalysts in changing the dependence of PVOs on the public sector, enhancing financial strategies and financial mechanisms. They have improved financial practices and capacities, implemented high-performance models, and broadened revenue-generating approaches. For example:

- 61% of the PVOs included in their strategic plans and targets for reduced grant dependency, greater revenue diversification and/or earnings;
- 50% of the organizations re-configured or repositioned field programs for self-financing and decentralized income mobilization;
- 67% of the organizations noted changes in hiring or training staff with business and sustainability skills to improve their overall financial management capacity.

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#### **Feed the Children's first development program to recover costs**

SDS helped FTC to define a development program model, design a poverty lending program, and create a financing strategy. As a result, FTC implemented its first ever development program that recovers costs. The focus on financial planning has diffused throughout the organization—  
FTC/Uganda's lending program has increased the number of borrowers eight-fold and the repayment rate from 60% to 100%.

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A general relationship is evident between the type and level of SDS services provided and the impact on these organizations. In four key organizations (which account for 22% of the PVOs participating in the program), field programs have recovered substantial operating costs or have diversified the local program resource base.

## # **Expected Progress through FY 2000 and Management Actions**

There is a consensus among PVC managers and project officers that within the next five years, PVC's PVO partners should attain a healthy diversity in their total resource base. The IR team thinks, however, that we may be setting the standard too low, that "diversity" should be defined as equal proportions of public to private revenue support.

The data allow PVC to target more precisely actions that will decrease financial dependency. These actions include more work that targets the most vulnerable groups, focusing on board and staff financial knowledge improvement, strategic planning development for financial strategies, improved program models, etc. The PVC office itself has undertaken some policy actions that govern its Matching Grant program and are designed to prepare PVOs to adopt more business-like strategies as part of their grant responsibilities. For example:

- Assure that all MG DIPs contain business plans.
- Build business partnerships. The corporate community investment network, CorCOM, works through business associations to stimulate linkages and foster partnerships between businesses and private development organizations. CorCOM, with a current core membership of 12 PVOs, will test and refine inter-sectoral strategies.
- Forge linkages with foundations: (Tides, Ford, Packard, Roberts). The objective is to attain buy into inter-sectoral partnerships for business, economic, and social development.
- Initiate contacts with the SBA for business planning and training for PVOs, and engage the retired business executive corps in these actions.

The PVC-funded GEM project offers strong prospects for working with PVC-PVO partners to develop effective inter-sectoral strategies for PVOs desiring to work with the private sector.

## **IR 5: US Public Awareness Raised**

IR 5 focuses broadly on public awareness of U.S. foreign assistance and the role that PVOs and CDOs play in delivering important development services. Public support for PVOs reflects the public-private partnership that is nurtured by informing and educating the public about development needs, programs, and sustainable development successes. PVC's assumption is that increased understanding and awareness of the benefits of international assistance leading to increased public support of PVO programs and a more diversified funding base.

### Indicator 5.1

Percentage of PVC grantees that measure changes in the awareness and understanding of U.S. audiences of the importance of global sustainable development.

**Results:** 39% of PVOs are currently measuring change in public awareness as compared to 17% last year .

### # Measurement Issues

In FY 1997, the IR5 team took an active role in development, implementation, and analysis of two surveys. The team believes that these actions improved the quality of the data for reporting purposes and added depth to our understanding of the issues. Changes included a more rigorous sampling and a larger, more in-depth questionnaire. The results of the FY 1997 R4 survey are validated by findings of a survey conducted in September 1997 at the annual RFA Conference. Based on the data from these two surveys, the IR team dropped one indicator. The Indicator text box reflects this change.

Throughout FY 1998, the IR team plans to continue to study the survey data and to cross-reference and compare the information with other sources (such as DOSA) to learn more about how PVOs and CDOs perceive raising U.S. public awareness as it relates to their own organizational sustainability.

### # Progress and Results

All targets set by the IR 5 team for FY 1997 were surpassed. Significant findings include:

- Over 90% of the PVOs polled engage in activities specifically aimed at raising U.S. public awareness about foreign assistance.

This high percentage is confirmed by IR 5's survey at the 1997 RFA conference, which showed 96% of the respondents were conducting some form of U.S. public awareness outreach activities about global sustainable development.

- The percentage of organizations measuring changes in the awareness and understanding of U.S. audiences of the importance of global sustainable development more than doubled.

#### PVO/CDOs Monitoring\* Change in Public Awareness

1996	22%
1997	61%

#### PVO/CDOs Measuring\*\* Change in Public Awareness

1996	17%
1997	25% at RFA conference 39% R4 phone survey

\* = recording anecdotal evidence

\*\*= public opinion polls, surveys

*The data suggest that raising public*

*awareness is a far more important issue for a majority of our PVO/CDO partners than PVC anticipated.*

- 88% of the organizations surveyed included raising public awareness as part of their strategic plans. Fifty-two percent of these organizations indicated that they have both a line item in the budget and a staff person responsible for public outreach and/or development education. Sixteen percent have assigned staff but no organizational budget line item, and 10% have a budget line item, but no assigned staff.

Unlike the FY 1996 survey, the FY 1997 survey explored a broader range of issues related to public awareness raising, allowing the IR team to develop a better understanding of the types of activities the PVO/CDOs use to communicate their messages, as well as to examine methodology used to monitor outreach activities. In general, responses on how PVO/CDOs monitor and measure effects reflects the importance of the data to the PVOs. Survey respondents were asked to indicate all of the types of monitoring activities their organization engages in. So each percentage following is based on the entire survey sample.

*The data indicate that PVO/CDOs realize that by using their individual programs as examples to increase their target audience's awareness about global sustainable development, they can reap the reward of increased financial resources. For example:*

- 88% monitor donations received in response to a public awareness-raising activity.

In addition, a surprisingly large number (39%) of organizations used sophisticated methods to measure the impact of these activities on target audiences. Rationale for tracking target audience response include:

- 43% tracked change in the target audience's knowledge in order to increase resources (financial, volunteers, staff, materials, fund-raising) for their organization;
- 35% tracked change in order to learn the effectiveness of their public awareness raising activity;
- 16% monitored change in order to determine if the correct message reaches the target audience.

The link between increased resources and raised public awareness is even clearer when one sees that PVO/CDOs identified private sector organizations, individual contributors, and members of their organization as their most important target audiences. In the first two cases, the PVO/CDO's audiences have the greatest link to increased financial resources; in the last example, the PVO/CDOs are keeping their membership, and possibly funding base informed. PVOs/CDOs identified the main barriers to conducting more public awareness activities as insufficient financial resources and lack of time.

## **# Factors Contributing to or Affecting Performance**

Over the last year, the PVC office and the IR 5 team have embarked on a number of initiatives to increase the interest of PVO/CDOs in raising U.S. public awareness about global sustainable development. For example:

- The IR team conducted a public awareness campaign and survey at the Annual RFA Conference to encourage the PVO/CDOs to consider their responsibility for raising U.S. public awareness about global sustainability.
- PVC hosted a panel discussion attended by about 35 people, led by representatives of organizations who do public outreach, on different methods of raising U.S. public awareness.
- For the first time, PVC's annual VOLAG Report includes development success stories, as recommended by the IR5 team. The VOLAG is available on the Internet and is distributed throughout the Agency as well as to the 434 PVOs registered with the Agency, InterAction, governmental and nongovernmental institutions, and to the general public. PVC distributes over 3,000 copies of this report each year, approximately 10% of which are requested by the general public. The team believes the inclusion of success stories in a wide range of internal and external Agency documents will increase the visibility of grant recipients and give other organizations and the general public a better idea of the types of activities PVC supports.
- The 1998 RFAs included a section requiring applicants to discuss how their proposal contributes to PVC's five IRs. The attention to this IR in the RFA has helped to elevate to the PVO/CDOs its relative importance to BHR/PVC. Through the RFA process, the office learned more about how PVO/CDOs perceive raising U.S. public awareness and how they are trying to address this intermediate result.

The other factor that contributed to improved results is the increased willingness of PVO/CDOs to monitor activities that have a high utility or rate of return, money, volunteer time, or resources, to the organization.

In order to examine the broader impact of the survey results for all PVC grant recipients, the Ocean Freight Reimbursement Program (which includes some smaller and less technical PVO/CDOs) and the Development Education Program were added to the pool of respondents. The 1997 data analyzed with and without these two programs showed no difference in results.

#### **# Expected Progress through FY 2000 and Management Actions**

The team set modest targets for the coming years and fully expects to meet FY 2000 targets. See Performance Monitoring Table.

The team will place more emphasis on encouraging PVO/CDOs to include public awareness raising activities in their business plans as well as in their organization's strategic plans. In order for these types of activities to be sustainable, it seems reasonable that either dedicated budgets and/or staff will be needed. Trends in this area will be monitored in the coming years in order to

determine if this is valid.

Several methods will be employed in the coming year to increase the percentage of PVOs that measure changes in the awareness and understanding of U.S. audiences.

- The IR 5 team has learned a great deal about the PVO/CDO community and many new skills through our interventions. The team plans to use these new skills and perspectives to provide better customer service to our grant recipients in FY98.
- PVC will share results of the survey with respondents, LPA, and organizations such as InterAction that work with their members on public outreach. The survey results will serve as a mechanism to engage these communities in dialog.
- To gain further visibility for PVC partners and to increase U.S. public awareness about global sustainability, IR 5 will arrange for PVC grant recipients to display, for two to three months, information concerning their USAID foreign aid programs in a public area in the Ronald Reagan Building International Trade Center.

## **C. PERFORMANCE DATA TABLES**

**Table 1: SO1 Performance Indicator 1**

Performance Indicator 1: Change in the mean capacity score of PVC-supported PVOs on PVC-developed capacity self-assessment instrument				
Unit of Measurement: Scaled capacity score in the Discussion-Oriented Organizational Self-Assessment (DOSA) instrument	Year	Attributes Measured*	Planned	Actual
Data Source: EDC, PACT.	1996 (B)	HRM	-	61
Indicator Definition: Measures the change in PVO assessment of institutional capacity		FRM	-	76
		SD	-	74
		ER	-	70
		OL	-	71
		SM	-	67
<b>Comments:</b> <u>Score:</u> the higher the score the higher the capacity <u>Sample:</u> Cohort designed to include organizations of various sizes, sectors, budgets sizes, number of staff, and demographics. Thirteen PVOs in original cohort. In 1996 DOSA was administered to 13 PVOs and 17 in 1998. <u>*Attributes Measured:</u> Human resource management (HRM) Financial resource management (FRM) Service delivery (SD) External relations (ER) Organizational learning (OL) Strategic management (SM) <u>Scaled Capacity Score System:</u> 0-40 Little or no capacity in an area 41-60 Capacity below acceptable 61-70 Capacities approximately acceptable 71-80 Capacities above acceptable 81-100 Capacities far above acceptable <u>Targets:</u> Annual targets not set. Targets set for FY2000.	1997	HRM	-	62
		FRM	-	77
		SD	-	76
		ER	-	70
		OL	-	69
		SM	-	69
	1998	HRM	-	
		FRM	-	
		SD	-	
		ER	-	
		OL	-	
		SM	-	
	1999	HRM	-	
		FRM	-	
		SD	-	
		ER	-	
		OL	-	
		SM	-	
	2000 (T)	HRM	64	
		FRM	80	
		SD	78	
		ER	76	
		OL	75	
		SM	73	



**Table 2: SO1 Performance Indicator 2**

<b>Performance Indicator 2:</b> Change in the number of members of formal networks or associations of voluntary organizations			
<b>Unit of Measurement:</b> Combined PVO membership of two networks	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> Networks records	<b>1996 (B)</b>	-	62
	<b>1997</b>	65	75
<b>Indicator Definition:</b> Measures change in collaboration and self strengthening	<b>1998</b>	79	
	<b>1999</b>	83	
<b>Comments:</b> 5% annual increase projected	<b>2000</b>	87	

**Table 3: SO1 Performance Indicator 3**

Performance Indicator 3: Change in key measures of child survival program performance				
Unit of Measurement: Performance index	Year	Key Measure	Planned	Actual
Data Source: Records from the Child Survival Support Project; PVO pre- and post-knowledge, practice and coverage (KPC) surveys	1994-1996 (3 year mean baseline)	Childhood Immunization	-	35%
		Maternal Tetanus Immunization	-	13%
		Exclusive Breast-feeding	-	30%
Indicator Definition: Indicator measures the proportion of the problem eliminated by the program (JHU Methods Paper)	1997	Childhood Immunization	-	27%
Comments: Sample: Baseline calculated as a three year mean. Details on rationale and calculation are found in the performance monitoring plan. Target set for 1999, based on a three year mean.		Maternal Tetanus Immunization	-	17%
		Exclusive Breast-feeding	-	38%
	1997-1999 (3 year mean measurement)	Childhood Immunization	35%	
Maternal Tetanus Immunization		19%		
Exclusive Breast-feeding		35%		

**Table 4: SO1 Performance Indicator 4**

<b>Performance Indicator 4: Change in key microenterprise measures of performance</b>				
<b>Unit of Measurement:</b> 1) Number of loans disbursed to target groups 2) Amount (dollar) of loans disbursed to target groups 3) Percentage loans made to women borrowers	<b>Year</b>	<b>Measure</b>	<b>Planned</b>	<b>Actual</b>
	<b>1996 (B)</b>	Number loans	-	379,326
		Amount loans	-	115,941,014
		% women borrowers	-	66%
<b>Data Source:</b> Microenterprise Results Reporting (MRR) system, Office of Microenterprise Development.	<b>1997</b>	Number loans	400,000	
		Amount loans	133 million	
		% women borrowers	70%	
<b>Indicator Definition:</b> Measures the change in PVO service delivery capacity	<b>1998</b>	Number loans	500,000	
		Amount loans	153 million	
		% women borrowers	70%	
<b>Comments:</b> Current data available from the MRR system is for 1996; 1997 data available late 4th quarter FY98. Targets based on results from a matched sample of PVC-sponsored microenterprise activities with portfolio data for both 1995 and 1996 recorded in the MRR system.	<b>1999</b>	Number loans	600,000	
		Amount loans	176 million	
		% women borrowers	70%	
	<b>2000</b>	Number loans	700,000	
		Amount loans	203 million	
		% women borrowers	≥75%	

**Table 5: SO1 Performance Indicator 5**

<b>Performance Indicator 5: Percent change in key measures of sustainability</b>				
<b>Unit of Measurement:</b> 1) Percent microenterprise institutions/activities which achieved operational sustainability 2) Percent programs with evidence of local level financial input	<b>Year</b>	<b>Key Measure</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> 1) MRR system, Office of Microenterprise Development. <b>Current data on operational sustainability available from the MRR system is for 1996;</b> 1997 data available late 4Q FY98. Report year is 1996. 2) Document review of program plans and records. Twenty one programs reviewed.	<b>1996 (B)</b>	Operational sustainability	-	8%
		Local level financial input	-	54%
<b>Indicator Definition:</b> Measures change in sustainability and community willingness to support services.	<b>1997</b>	Operational sustainability	15%	
		Local level financial input	62%	52%
<b>Comments:</b> Operational sustainability is when a financial institution is able to cover all its operating costs with its own revenues without subsidy. Financial input at the local level include user fee, income generation, fund raising, voluntary community contributions.	<b>1998</b>	Operational sustainability	15%	
		Local level financial input	62%	
	<b>1999</b>	Operational sustainability	15%	
		Local level financial input	62%	
	<b>2000</b>	Operational sustainability	15%	
		Local level financial input	TBD	

**Table 6: IR1 Performance Indicator 1**

<b>Performance Indicator 1: Percent PVOs that develop quality program plans</b>				
<b>Unit of Measurement:</b> Percent (%)	<b>Year</b>	<b>Quality Scored</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> Score sheets filled out by technical reviewers during the review of all program applications. Program applications scored by PVC staff and technical reviewers.	<b>1996 (B)</b>	Obj	-	53%
		Ind	-	39%
		SOTA	-	83%
		Sust	-	37%
		Partn	-	58%
<b>Indicator Definition:</b> Indicator measures the change in the quality of PVOs program planning.	<b>1997</b>	Obj	58%	57%
		Ind	44%	61%
		SOTA	≥90%	97%
		Sust	42%	52%
		Partn	63%	72%
<b>Comments:</b> <u>Population:</u> All grant applications. MG and CS. Seventy six plans scored in 1996 and 61 in 1997. <u>Criteria developed for five areas:</u> 1) Measurable and quantifiable results-oriented objectives (Obj), 2) Appropriate indicators (Ind); 3) Use of state of the art (SOTA) technology, 4) Sustainability (Sust) plans, and 5) Partnerships (Partn) <u>Scoring system:</u> 1) Excellent; 2) good; 3) acceptable with minor changes; 4) acceptable with major changes; and 5) unacceptable <u>Calculation:</u> Numerator: number of program applications that scored acceptable with minor changes, good and excellent Denominator: total number of program applications	<b>1998</b>	Obj	65%	
		Ind	65%	
		SOTA	≥90%	
		Sust	55%	
		Partn	75%	
	<b>1999</b>	Obj	≥67%	
		Ind	≥65%	
		SOTA	≥90%	
		Sust	≥60%	
		Partn	≥80%	
	<b>2000</b>	Obj	≥70%	
		Ind	≥70%	
		SOTA	≥90%	
		Sust	≥60%	
		Partn	≥80%	



**Table 7: IR1 Performance Indicator 2**

<b>Performance Indicator 2:</b> Percent of PVOs that adopt a systematic approach to program monitoring and impact evaluation			
Unit of Measurement: Percent (%)	Year	Planned	Actual
<b>Data Source:</b> Project midterm and final evaluations.	<b>1997 (B)</b>	-	45%
<b>Indicator Definition:</b> Measures the change in the capacity of PVOs to monitor program performance and measure impact	<b>1998</b>	50%	
<b>Comments:</b> <u>Sample:</u> Random sample of CS and MG final and midterm evaluations completed in 1997. Twenty out of 32 evaluations reviewed. <u>Criteria developed for four areas:</u> PVC grantees that 1) Collect baseline and follow-up data; 2) Have consistent monitoring of program performance during program implementation; 3) Conduct periodic program reviews of performance data at the field level; and 4) Institutionalize a system to monitor program performance. <u>Scoring system:</u> 1) Excellent; 2) good; 3) acceptable with minor changes; 4) acceptable with major changes; and 5) unacceptable. <u>Calculation</u> Numerator: number of PVC funded projects that scored acceptable with minor changes, good and excellent in the midterm and final evaluations Denominator: total number of project evaluations	<b>1999</b>	50%	
	<b>2000</b>	55%	
	<b>2001</b>	65%	

**Table 8: IR2 Performance Indicator 1**

<b>Performance Indicator 1: Percentage of recommendations presented by ACVFA that are adopted by USAID</b>			
<b>Unit of Measurement:</b> Percent (%)	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> ACVFA Report Card	<b>1994-96 (B)</b>	-	48%
	<b>1997</b>	55%	54%
<b>Indicator Definition:</b> Measures the Agency's adoption of ACVFA recommendations	<b>1998</b>	60%	
	<b>1999</b>		
<b>Comments:</b> Targets not set due to uncertainty of new ACVFA's approach to reform agenda.	<b>2000</b>		

**Table 9: IR2 Performance Indicator 2**

<b>Performance Indicator 2: Percentage of USAID program funds channeled through US PVOs</b>			
<b>Unit of Measurement:</b> Percent	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> USAID/M	<b>1995 (B)</b>	-	31%
	<b>1996</b>	N/A	34%
<b>Indicator Definition:</b> Measures the amount of development assistance going to the PVO community	<b>1997</b>	37%	N/A
	<b>1998 (T)</b>	40%	
<b>Comments:</b> This indicator is based on calculations by the Management Bureau. Data for FY97 not yet available from USAID/M.	<b>1999</b>	40%	
	<b>2000</b>	40%	

**Table 10: IR3 Performance Indicator 1**

<b>Performance Indicator 1:</b> Percent of PVC grants where there has been a clear transfer of resources by PVOs to local level partners.			
<b>Unit of Measurement:</b> Percent (%)	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> Phone survey	<b>1996 (B)</b>	-	55%
<b>Indicator Definition:</b> Measures the change in resource transfer to Southern NGOs.	<b>1997</b>	60%	64%
Comments: <u>Sample:</u> Random sample of 22 agreements from the MG,CS,CD and FtF programs in FY96. Random sample of 61 agreements in FY97. Project managers interviewed in both FY96 and FY97. In FY97, survey was expanded to include actual funds transferred and external resources mobilized.	<b>1998</b>	75%	
	<b>1999</b>	80%	
	<b>2000</b>	80%	

**Table 11: IR3 Performance Indicator 2**

<b>Performance Indicator 2:</b> Percent of PVC grants where the PVO has clearly established formal partnerships with local partners.			
<b>Unit of Measurement:</b> Percent (%)	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> Phone survey	<b>1996 (B)</b>	-	(50%) **
<b>Indicator Definition:</b> Measures the change in the percent of PVC grants in which the grantee has established formal partnerships with at least one local partner.	<b>1997</b>	65%	(50%)** 75%
<b>Comments:</b> <u>Sample</u> : Random sample of 22 agreements from the MG,CS,CD and FtF programs in FY96. Random sample of 61 agreements in FY97. Project managers interviewed in both FY96 and FY97. In FY97, survey was expanded to include actual funds transferred and external resources mobilized. <u>Definition:</u> Local partners defined as national NGOs, local affiliates of the PVO, local level government entities. <u>Criteria:</u> Existence of MOU <u>** NGO Partners:</u> % with NGO partners  All grantees now required to have local partners.	<b>1998</b>	≥80%	
	<b>1999</b>	≥85%	
	<b>2000</b>	>95%	

**Table 12: IR3 Performance Indicator 3**

<b>Performance Indicator 3:</b> Percent of PVC grants in which local partners have access to the internet.			
<b>Unit of Measurement:</b> Percent (%)	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> Phone survey	<b>1996 (B)</b>	-	46%
<b>Indicator Definition:</b> Measures the change in access to communication technologies	<b>1997</b>	54%	70%
<b>Comments:</b> Random sample of 22 agreements from the MG,CS,CD and FtF programs in FY96. Random sample of 61 agreements in FY97. Project managers interviewed in both FY96 and FY97. In FY97, survey was expanded to include actual funds transferred and external resources mobilized.	<b>1998</b>	75%	
	<b>1999</b>	80%	
	<b>2000</b>	>80%	

**Table 13: IR4 Performance Indicator 1**

<b>Performance Indicator 1:</b> The percent of PVC grantees with a non-diversified funding base			
<b>Unit of Measurement:</b> Percent (%) PVC grantees with a "less-diverse funding base"	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> VOLAG	<b>1995 (B)</b>	-	19%
<b>Indicator Definition:</b> Indicator measures the PVO dependence on USAID funds.	<b>1996</b>	17%	13%
<b>Comments:</b> <u>Population:</u> All active PVC grantees in CS, MG, FtF, CD division; 46 in 1996, 48 in 1995. <u>Criteria:</u> The degree of "privateness" was calculated for each PVO. PVOs were categorized into "diverse funding base" and "less-diverse funding base". PVOs with 70% of total revenue coming from US government sources were classified as "less-diverse".	<b>1997</b>	11%	
	<b>1998</b>	9%	
	<b>1999</b>	7%	
	<b>2000</b>	5%	

**Table 14: IR5 Performance Indicator 1**

<b>Performance Indicator 1:</b> Percent PVC grantees that measure changes in the awareness and understanding of US audiences of the importance of global sustainable development			
<b>Unit of Measurement:</b> Percent (%)	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Data Source:</b> Telephone survey of PVO/CDO recipients of PVC funds. Survey was conducted by the IR5 team.	<b>1996 (B)</b>	-	17%
<b>Indicator Definition:</b> Measures the changes in the awareness and understanding of US audiences of the importance of global sustainable development.	<b>1997</b>	22%	39%
<b>Comments:</b> <u>Sample:</u> In FY96, random sample of 17 grantees in CS, FtF and MG programs. In FY97, random sample of 51 grantees from CS, FtF, MG, OF and DE programs. Survey respondents communications staff and senior executives. <u>Validation:</u> Results from the FY97 phone survey confirmed the results from a similar survey conducted in the annual RFA conference in September 1997. Approximately 100 conference attendees participated in the survey.	<b>1998</b>	42%	
	<b>1999 (T)</b>	45%	
	<b>2000</b>	48%	

## **PART III STATUS OF THE MANAGEMENT CONTRACT**

PVC's performance in relation to the management framework established in the Strategic Plan has been strong. As discussed in the previous sections, despite staff and budgetary limitations, PVC's performance exceeded expectations in many areas at both the SO and IR levels (see Part II and the performance tables). In those few areas where performance was short of expectations last year, PVC will devote special attention to understanding the reasons for the lag and seek remedial measures to accelerate performance in the coming year.

PVC's prospects for achieving its performance targets through FY 2000 are very good. Over the past year PVC has made a concerted effort to refine indicators and to improve data collection in order to have a valid basis for establishing realistic targets. Thus, PVC is optimistic that the targets established for FY 1999 and FY 2000 can be achieved, if current positive trends continue. At the same time the office is acutely aware of the challenge of setting precise short term targets in the area of PVO capacity building, and cannot rule out the possibility that modest further refinements in targets may be required as the office obtains additional experience in this area. It should be noted that at the SO level PVC has set the targets for some indicators, such as organizational strengthening measured by the DOSA for the year 2000 because it is not realistic to expect meaningful changes on an annual basis.

This year PVC succeeded in implementing a number of management and programmatic actions geared toward accelerating implementation of the strategic plan over the next two years. Most of these actions, discussed in considerable detail in the Overview section at the beginning of the document, were taken with the aim of refining our grant portfolio and other office activities to contribute more directly to the achievement of the SO and the IRs. Management actions ranged from strengthening IR teams and increasing collaboration with other parts of the Agency to establishing office systems for rigorous performance measurement. Programmatic actions included reorienting grants programs and strengthening performance monitoring and evaluation to undertaking actions to better understand the USAID-PVO partnership, and to obtain information needed for decisions to improve the effectiveness of our programs.

The central elements of PVC's strategic plan -- its goals, SO and IRs -- remain not only as valid today as they were when the plan was developed, but they are increasingly relevant to USAID's partnership with the PVO community. The one Intermediate Result that needs to be monitored carefully and perhaps reassessed in a year's time is IR 5, "increased public awareness". The Biden Pell Development Education Program, which was central to the original basis for PVC's strategy in this area, has been progressively downsized by a series of increasingly restrictive Congressional funding caps, and is in some danger of being zeroed out. As noted repeatedly in this document, PVC is doing cutting-edge work for the Agency in the areas of PVO-business partnering and PVO private resource mobilization (IR4) as well as PVO/NGO partnering and local NGO capacity building (IR 3). PVC is well

positioned to take advantage of opportunities to make rapid advances in both these areas, and to greatly exceed its performance targets, if additional resources can be obtained.

Given PVC's central focus on PVO capacity building, which is highly labor intensive, adequate staffing is the single most important element for PVC to be able to deliver on its end of the management contract. Difficulties with the personnel system have constrained PVC's ability to fill critical vacancies this year, and the office hopes that these will be resolved before the end of the fiscal year. PVC is also requesting two additional positions which are needed to ensure effective management of PVC's programs and optimal progress towards its objectives.

## **PART IV. RESOURCE REQUEST**

### **Financial Plan**

In support of its strategic objective, PVC manages six different competitive grants programs which currently support capacity building and field activities of more than 70 PVOs in more than 120 countries. In the last three years the number of applications for PVC's programs has increased by approximately 50%, and total funding requests by more than \$50 million. Yet, from FY 96 to FY 98, PVC has seen a budget increase of only \$ 2.4 million. At its current budget level, PVC is now in a position where it must reject a number of promising proposals, and valuable opportunities for PVO capacity building are lost. At the same time, PVC requires additional resources to sustain and accelerate its the progress towards key intermediate results such as strengthened partnerships between U.S. PVOs and local NGOs and increased PVO resource mobilization. PVC is also prepared to intensify efforts in challenging areas such as improving relations between local NGOs and host-country governments. As discussed earlier, in the body of this report, PVC has initiated exciting activities in these areas, and is positioned to play a leadership role for the PVO community and the Agency -- if the the necessary resources can be obtained.

### **PVC BUDGET SUMMARY**

	<b>FY 1996</b>	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>
<b>TOTAL</b>	<b>\$45.2 M</b>	<b>\$46.6 M</b>	<b>\$47.6 M</b>	<b>\$50 M</b>	<b>\$51.5 M</b>

In order to accelerate progress towards its strategic objective, PVC requests a 5% increase in its budget from the FY 1998 level of \$47.55 million to \$50 million in FY 99 and an additional 3% increase in FY 2000 to \$51.5 million. This represents an increase of \$3.2 million over the FY 99 CP level of \$46.8 million. This modest 8% increase over two years is slightly above the broad parameters established of budget increases within the range of inflation, but it is vital for PVC's program. This additional funding will permit expansion of its key CORCOM

and SDS initiatives for increased PVO private resource mobilization in support of IR 4, and an expanded program in the areas of PVO/NGO partnering and local NGO development, including capacity building for local NGOs and intersectoral partnering between local NGOs and host-country governments and business. This will accelerate progress towards IR 3 and PVC's subgoal, and enable PVC to be far more responsive to broader Agency interests in these areas.

PVC plans to spend approximately \$2 million additional dollars in FY 99 and \$3 million in FY 2000 to support the expanded program in PVO/NGO partnering and local NGO development. A key part of this initiative will be to increase PVC's outreach and support to other parts of the Agency, and particularly its responsiveness to USAID Missions. PVC plans to increase information sharing and direct assistance to Missions for capacity building of NGOs, in areas such as program design, assessments and replication of innovative approaches. A key emerging area in which PVC will also work with Missions is in assessing and addressing increased tensions between host-country governments and local NGOs working in civil society strengthening. It is clear, given staffing and OE travel constraints, that a program funded mechanism will need to be established to support PVC's expanded work with Missions and the different initiatives it has underway with the Agency and the PVO community in this area. PVC will consult with the Agency Resource Group on PVO/NGO capacity building, its PVO partners on the IR 3 team, and the Missions in the design of an appropriate program.

Another important part PVC's expanded efforts in this area will be support for experimentation and innovation by the office's PVO partners in the areas of local NGO capacity development and intersectoral partnering in conjunction with their grants programs. PVC will also provide selective support, in coordination with other donors, for initiatives in NGO capacity building proposed by the new International Working Group on Capacity Building for Southern NGOs. One activity already identified is a forum between African NGO leaders and the CEOs of major US PVOs focussed on the changing dynamics of PVO/NGO partnerships in Africa.

Equally critical to PVC's success in achieving its strategic objective is a higher proportion of discretionary funding and relief from the higher earmark levels that have begun to distort its programs. PVC works to build PVO capacity in all of USAID's priority sectors through its competitive grant programs. Thus, while the office is able to absorb substantial earmarked funds in areas like Child Survival and microenterprise, it also requires adequate funding support PVO capacity building in other sectors. Except for the Child Survival program, it is difficult to predict in what sectors proposals for funding will be submitted each year. In recent years, however, funding considerations have been increasingly linked to meeting earmark requirements. The combination of increased earmark creep during the last two years and limited budget increases have posed a serious dilemma for PVC as it tries to preserve its competitive approach to fund worthy PVO activities.

While it is difficult to predict with certainty future year budget demands, PVC has reflected its best estimates, based on past experience and trends, of its budget needs by directive in the budget tables for FY 99 and 2000. One adjustment that is crucial in the FY 99 and FY 2000 budgets is removal of the \$1 million for surgeries for blind children (hence the reduction in the CS account to \$17,199,000 from the FY 99 CP level of \$18,199,000). Allocation of these funds to PVC has persisted even though new PVO proposals are not forthcoming to keep pace with the high earmark levels for this activity in this narrow, highly technical area. PVC has successfully

programmed these funds in the past but the very few organizations with expertise in this area are already fully funded for the next several years (please see the success profile of this activity in Annex 2). As a result, PVC has not yet been able to program the blindness funds received for FY 98 and simply cannot absorb any of these funds in FY 99 and 2000. Other adjustments from the FY 99 CP levels include minor adjustments in HIV/AIDs and Other Health directives, and a \$1 million reduction in the request for environment funds, since the CP level is well above what we can readily program in this sector, based on grant competitions. The requested budget increases for FY 99 and 2000 are in the D/G and Other Economic Growth area. Other Economic Growth is the area where PVC has the greatest demand for resources, and EG and D/G are the directive areas most appropriate to fund PVC's proposed expansion of activities in PVO resource mobilization and local NGO strengthening.

### **Prioritization of Objectives**

PVC has only one strategic objective, which clearly ranks as our highest priority. This objective is also of vital importance to the Agency, and to achievement of its sustainable development objectives. PVC's objective reflects its unique role in strengthening the capability of the PVO community to implement effective programs in key development sectors of mutual interest to the USAID and the PVOs. Through its organizational capacity building efforts, PVC develops strong PVO partners for USAID's worldwide programs and helps the PVO community to maximize the utilization of its considerable private resources for sustainable development.

### **Workforce and Operating Expenses**

As PVC meets its commitments under the strategic plan, promoting intermediate results in support of its SO, a significantly greater burden has to be carried on both the management and program sides. As noted in the overview, PVC's effort to strengthen PVOs is labor intensive, and staffing constraints are the single largest impediment to its ability to accelerate progress towards its objectives. The demands of performance monitoring and reporting are also increasing and it is vital that PVC have a direct hire position dedicated to program performance monitoring, reporting and evaluation. In FY 1998, PVC's overall staffing level was reduced from 20 to 19, and a decision was made to delete an administrative support position in the Child Survival Division. PVC complements its direct hire staff with two PSCs in the Farmer to Farmer Program, and plans to add a RSSA in FY 99 and 2000.

PVC now urgently requires two additional FTEs for FY 99 and 2000, to raise the USDH staffing level from 19 to 21 (note: in the tables we reflect an "on board" level of 18 for FY 98 because we anticipate having one vacancy by the end of the year). One of these two positions is a new USDH project officer for the PVO Child Survival program which has become the office's largest program and currently only has two USDH project officers to manage more than seventy PVO projects around the world with a total portfolio value of more than \$60 million. This additional PHN officer is also needed to help backstop the growing number of health programs in the Matching Grants Program. The second additional position is a USDH officer to manage PVC's proposed expansion of work with the Agency in the areas of local NGO capacity building, and NGO/Government collaboration. This position is crucial to PVC's effort to reach out and engage more closely with the Missions and other parts of the Agency in support of efforts to work with NGOs, and is needed to help manage PVC's

expanded activities in this area.

PVC is requesting an increase in its OE travel budget in order to properly monitor its grant activities. The \$15,000 increase from \$50,000 in FY 98 to \$65,000 in FY 99 and an additional \$5,000 increase for \$70,000 for FY 2,000 is the minimal travel budget necessary for management of matching grants and child survival grants to PVOs new to these programs, which require close performance monitoring and guidance during the first two years of implementation. PVC has maximized the use of program funded PSCs and fellows for monitoring of PVO field programs, to complement monitoring by USDH staff, but this remains inadequate given the size of the PVC portfolio, and the office is concerned about vulnerability in this area. The FY 99 and 2000 budgets also reflect the OE funds required to sustain the management and professional support services contract necessary to carry out the analyses for the Congressionally-mandated PVO privateness requirement and PVO registration, and to compile the emphasis area coding information.

### **PVC WORKFORCE AND OPERATING EXPENSES**

<b>FY Program Budget</b>		<b>FTEs (USDH)</b>	<b>OE Travel Budget</b>
FY 1996	\$ 45.2 M	20	\$ 50,852
FY 1997	\$ 46.6 M	20	\$ 55,000
FY 1998	\$ 47.6 M	19	\$ 50,000
FY 1999	\$ 50.0 M	21	\$ 65,000
FY 2000	\$ 51.5 M	21	\$ 70,000

## USAID FY 2000 BUDGET REQUEST BY OFFICE

14-Jul-98  
06:49 AM

BHR/PVC

Scenario: Base Level (DOLLARS IN THOUSANDS)

S.O. # 1, Title: INCREASED CAPABILITY OF PVC'S PARTNERS TO ACHIEVE SUSTAINABLE SERVICE DELIVERY																		Future Cost (POST 2000)	Year of Final Oblig.
Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 99	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 00	Est. Total Cost life of SO				
	Bilateral		0														0	XX	
DV	Field Spt		0														0		
	TOTAL	0	31,599	0		27,169	0	0		0	0	1,600	2,830				0		
	Bilateral		0														0	XX	
CD	Field Spt		0														0		
	TOTAL	0	19,901	720		0	0	17,199		982	1,000	0	0				0		
	Bilateral		0														0	XX	
	Field Spt		0														0		
	Total	0	0	0	0	0	0	0	0	0	0	0	0				0		
	Bilateral		0									0					0	XX	
	Field Spt		0														0		
	Total	0	0	0	0	0	0	0	0	0	0	0	0				0		
	Bilateral		0														0	XX	
	Field Spt		0														0		
	Total	0	0	0	0	0	0	0	0	0	0	0	0				0		
	Bilateral		0														0	XX	
	Field Spt		0														0		
	Total	0	0	0	0	0	0	0	0	0	0	0	0				0		
	Bilateral		0														0		
	Field Spt		0														0		
	Total	0	0	0	0	0	0	0	0	0	0	0	0				0		
Total Bilateral		0	0	0	0	0	0	0	0	0	0	0	0				0		
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0				0		
TOTAL PROGRAM		0	51,500	720		27,169	0	17,199		982	1,000	1,600	2,830				0		

## FY 2000 Request Sector Totals -- DA

Econ Growth	27,169
[Of which Microenterpris	8,000
HCD	720
PHN	19,181
Environment	0
[Of which Biodiversity]	0
Democracy	1,600
Humanitarian	2,830

## FY 2000 Request Sector Totals -- ESF

Econ Growth	0
[Of which Microenterprise	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2001 Target Program Level

0

FY 2002 Target Program Level

0

FY 2003 Target Program Level

0

## USAID FY 1999 Budget Request by OFFICE

14-Jul-98  
06:49 AM

BHR/PVC

Scenario: Base Level (DOLLARS IN THOUSANDS)

S.O. # 1 , Title: INCREASED CAPABILITY OF PVC'S PARTNERS TO ACHIEVE SUSTAINABLE SERVICE DELIVERY																		Future Cost (POST 2000)	Year of Final Oblig.
Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 98	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 99	Est. Total Cost life of SO				
	Bilateral Field Spt		0															0	XX
DV	TOTAL	0	30,099	0		26,469	0	0		0	0	1,600	2,030					0	
	Bilateral Field Spt		0															0	XX
CD	TOTAL	0	19,901	720		0	0	17,199		982	1,000	0	0					0	
	Bilateral Field Spt		0															0	XX
	Total	0	0	0		0	0	0		0	0	0	0					0	
	Bilateral Field Spt		0									0						0	XX
	Total	0	0	0		0	0	0		0	0	0	0					0	
	Bilateral Field Spt		0															0	XX
	Total	0	0	0		0	0	0		0	0	0	0					0	
	Bilateral Field Spt		0															0	XX
	Total	0	0	0		0	0	0		0	0	0	0					0	
	Bilateral Field Spt		0															0	
	Total	0	0	0		0	0	0		0	0	0	0					0	
	Bilateral Field Spt		0															0	
	Total	0	0	0		0	0	0		0	0	0	0					0	
Total Bilateral		0	0	0		0	0	0		0	0	0	0					0	
Total Field Support		0	0	0		0	0	0		0	0	0	0					0	
TOTAL PROGRAM		0	50,000	720		26,469	0	17,199		982	1,000	1,600	2,030					0	

FY 1999 Request Sector Totals -- DA	
Econ Growth	26,469
[Of which Microenterpris	8,000
HCD	720
PHN	19,181
Environment	0
[Of which Biodiversity]	0
Democracy	1,600
Humanitarian	2,030

FY 1999 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2001 Target Program Level	0
FY 2002 Target Program Level	0
FY 2003 Target Program Level	0

## USAID FY 1998 Budget Request by OFFICE

14-Jul-98  
06:49 AM

BHR/PVC

Scenario: Base Level (DOLLARS IN THOUSANDS)

S.O. # 1 , Title: INCREASED CAPABILITY OF PVC'S PARTNERS TO ACHIEVE SUSTAINABLE SERVICE DELIVERY																		Future Cost (POST 2000)	Year of Final Oblig.
Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 97	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 98	Est. Total Cost life of SO				
			0														0	XX	
DV	Bilateral Field Spt		0														0		
	TOTAL	0	25,460	0	0	23,930	0	0		0	0	1,000	530						
			0														0	XX	
CD	Bilateral Field Spt		0														0		
	TOTAL	0	22,090	840		0	0	19,250		1,148	852	0	0						
			0														0	XX	
	Bilateral Field Spt		0														0		
	Total	0	0	0	0	0	0	0		0	0	0	0				0		
			0									0					0	XX	
	Bilateral Field Spt		0														0		
	Total	0	0	0	0	0	0	0		0	0	0	0						
			0														0	XX	
	Bilateral Field Spt		0														0		
	Total	0	0	0	0	0	0	0		0	0	0	0						
			0														0	XX	
	Bilateral Field Spt		0														0		
	Total	0	0	0	0	0	0	0		0	0	0	0						
			0														0		
	Bilateral Field Spt		0														0		
	Total	0	0	0	0	0	0	0		0	0	0	0						
			0														0		
	Bilateral Field Spt		0														0		
	TOTAL PROGRAM	0	47,550	840	0	23,930	0	19,250		1,148	852	1,000	530				0		
Total Bilateral			0	0	0	0	0	0		0	0	0	0						
Total Field Support			0	0	0	0	0	0		0	0	0	0						
TOTAL PROGRAM			0	47,550	840	23,930	0	19,250		1,148	852	1,000	530				0		

## FY 1998 Request Sector Totals -- DA

Econ Growth	23,930
[Of which Microenterpris	8,000
HCD	840
PHN	21,250
Environment	0
[Of which Biodiversity]	0
Democracy	1,000
Humanitarian	530

## FY 1998 Request Sector Totals -- ESF

Econ Growth	0
[Of which Microenterprise	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2001 Target Program Level

0

FY 2002 Target Program Level

0

FY 2003 Target Program Level

0

<b>BUREAU:</b>	<b><u>BUREAU FOR HUMANITARIAN RESPONSE</u></b>
<b>OFFICE:</b>	<b>PVC</b>

**OC O.E. BUDGET BY RESOURCE CODES**  
**Washington Offices & Bureaus Requests**

### Other Operational Travel

14-Jul-98

Workforce

Org. BHR/PVC FY 1998 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	18							18							0	18
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	2							2							0	2
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	20	0	0	0	0	0	0	20	0	0	0	0	0	0	0	20
TAACS								0							0	0
Fellows	4							4							0	4

1/ Excluding TAACS and Fellows

Workforce

Org. BHR/PVC FY 1999 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	19							19							0	19
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	3							3							0	3
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	22	0	0	0	0	0	0	22	0	0	0	0	0	0	0	22
TAACS								0							0	0
Fellows	4							4							0	4

1/ Excluding TAACS and Fellows

Org. BHR/PVC FY 1999 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	21							21							0	21
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	3							3							0	3
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	24	0	0	0	0	0	0	24	0	0	0	0	0	0	0	24
TAACS								0							0	0
Fellows	4							4							0	4

1/ Excluding TAACS and Fellows

Workforce

Org. BHR/PVC FY 2000 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	19							19							0	19
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	3							3							0	3
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	22	0	0	0	0	0	0	22	0	0	0	0	0	0	0	22
TAACS								0							0	0
Fellows	4							4							0	4

1/ Excluding TAACS and Fellows

Org. BHR/PVC FY 2000 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	21							21							0	21
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	3							3							0	3
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	24	0	0	0	0	0	0	24	0	0	0	0	0	0	0	24
TAACS								0							0	0
Fellows	4							4							0	4

1/ Excluding TAACS and Fellows

Workforce

Org. BHR/PVC FY 2001 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	21							21							0	21
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	3							3							0	3
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	24	0	0	0	0	0	0	24	0	0	0	0	0	0	0	24
TAACS								0							0	0
Fellows	4							4							0	4

1/ Excluding TAACS and Fellows

Workforce

Org. BHR/PVC Summary On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
FY 1998:																
U.S. Direct Hire	18	0	0	0	0	0	0	18	0	0	0	0	0	0	0	18
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	18	0	0	0	0	0	0	18	0	0	0	0	0	0	0	18
Program Funded	2	0	0	0	0	0	0	2	0	0	0	0	0	0	0	2
Total FY 1998	20	0	0	0	0	0	0	20	0	0	0	0	0	0	0	20
FY 1999 Target:																
U.S. Direct Hire	19	0	0	0	0	0	0	19	0	0	0	0	0	0	0	19
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	19	0	0	0	0	0	0	19	0	0	0	0	0	0	0	19
Program Funded	3	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3
Total FY 1999 Target	22	0	0	0	0	0	0	22	0	0	0	0	0	0	0	22
FY 1999 Request:																
U.S. Direct Hire	21	0	0	0	0	0	0	21	0	0	0	0	0	0	0	21
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	21	0	0	0	0	0	0	21	0	0	0	0	0	0	0	21
Program Funded	3	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3
Total FY 1999 Request	24	0	0	0	0	0	0	24	0	0	0	0	0	0	0	24
FY 2000 Target:																
U.S. Direct Hire	19	0	0	0	0	0	0	19	0	0	0	0	0	0	0	19
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	19	0	0	0	0	0	0	19	0	0	0	0	0	0	0	19
Program Funded	3	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3
Total FY 2000 Target	22	0	0	0	0	0	0	22	0	0	0	0	0	0	0	22
FY 2000 Request:																
U.S. Direct Hire	21	0	0	0	0	0	0	21	0	0	0	0	0	0	0	21
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	21	0	0	0	0	0	0	21	0	0	0	0	0	0	0	21
Program Funded	3	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3
Total FY 2000 Request	24	0	0	0	0	0	0	24	0	0	0	0	0	0	0	24
FY 2001 Estimate:																
U.S. Direct Hire	21	0	0	0	0	0	0	21	0	0	0	0	0	0	0	21
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	21	0	0	0	0	0	0	21	0	0	0	0	0	0	0	21
Program Funded	3	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3
Total FY 2001 Estimate	24	0	0	0	0	0	0	24	0	0	0	0	0	0	0	24

Workforce

MISSION :

BHR/PVC

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 98	NO. OF USDH EMPLOYEES IN BACKSTOP FY 99	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001
01SMG	1	1	1	1
02 Program Off.	14	15	15	15
03 EXO				
04 Controller				
05/06/07 Secretary	2	2	2	2
10 Agriculture.				
11Economics				
12 GDO				
12 Democracy				
14 Rural Dev.				
15 Food for Peace				
21 Private Ent.				
25 Engineering				
40 Environ				
50 Health/Pop.	2	3	3	3
60 Education				
75 Physical Sci.				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other*				
<b>TOTAL</b>	<b>** 19</b>	<b>21</b>	<b>21</b>	<b>21</b>

\*please list occupations covered by other if there are any

\*\* 19 authorized, 18 on board

## ANNEX 1

### The Discussion-Oriented Organizational Self-Assessment (DOSA)

## Introduction

DOSA, an acronym for Discussion-Oriented Organizational Self-Assessment, is PVC's newly developed methodology for measuring the organizational capacity of the Bureau's PVO partners. DOSA profiles organizational capacities in six critical areas: human resource management, financial resource management, service delivery, organizational learning, external relations, and strategic management (see annex). The DOSA methodology enables PVOs to assess, over time, the degree to which such activities are contributing to significant change. AID/PVC has committed to using DOSA over a five-year period with selected PVOs to determine, in part, PVC's impact on the PVO community. Exacting procedures have been introduced to maintain the reliability and validity of the DOSA results (annex methodological foundations). More information about DOSA can be obtained at: <http://www.edc.org/INT/CapDev/dosapage.htm>

### Putting our customers first

DOSA was developed with significant input from many PVO organizational capacity development practitioners. DOSA involves a mix of group discussion questions and individual responses to questionnaire items in order to evaluate organizational effectiveness and promote organizational learning. At the heart of the DOSA process is an organizational capacity assessment team working alongside a facilitator. The facilitator leads the team through a succession of question-sets about "critical incidents." Once group members have collectively shared views in response to the question set (usually two or three queries about a specific topic), they individually complete an assessment instrument that enables them to process further what they have heard in the preceding discussion.

DOSA scoring enables PVC to readily observe relative PVO organizational strengths and weaknesses. Once results are in hand, PVC's focus shifts to planning specific initiatives that will lead to further capacity-building.

### Unique features of DOSA

DOSA employs a structured discussion method using "**critical incidents**" to bolster reliability and validity of the self-assessment tool. Critical incidents are specific events that have occurred within specified time parameters and which are closely connected to the organization's ability to promote significant, positive, and lasting change.

DOSA introduces an organizational **consensus** dimension. The organization's consensus score measures the degree to which team members agree on the organization's strengths and, weaknesses. This score bolsters the validity of the self-assessment, enriches organizational analysis and encourages capacity-building through analysis of divergent viewpoints.

The DOSA, self-assessment is conducted by a representative **cross-functional, cross-hierarchical organizational capacity assessment team**. In many cases DOSA administration provides the first opportunity for open, structured communication across these traditional organizational boundaries.

DOSA includes techniques that enable users to **benchmark** their individual organizational scores against a

cohort of peer organizations. As a result, organizations are able to analyze and compare their performance not only against their own previous scores or donor-specified objectives, but against an “industry standard” within a community of best practice.

The **Internet** is used to disseminate results and findings among cohort members to foster and stimulate dialogue among users concerning how assessment results are being used to support organizational transformation. DOSA’s use of pseudonyms to maintain anonymity among users makes the Internet a particularly effective way to disseminate results.

DOSA includes **companion tools** that help participants plan, monitor and implement change strategies fully consistent with perceived strengths and weaknesses.

### **Breaking new ground: Measuring organizational achievements**

With DOSA, PVC has addressed the enormous challenge of developing a peer-validated approach to measuring organizational capacity. The rationale for introducing DOSA into the R4 process is based on the one-to-one congruence between what DOSA measures (see attributes of the six capacity areas) and PVC’s SOs; the interest in measuring and managing change that PVOs and PVC share; the utility of DOSA as a tool to support re-engineering for quality in both government and the private sector; and, DOSA’s suitability as a benchmarking tool.

### **Participating PVOs**

In 1997, 13 international development PVOs were selected by USAID/PVC to participate in DOSA. In 1998, four additional PVOs were invited to join the DOSA cohort. The cohort was designed to include organizations of various sizes and working in a variety of sectors. PVOs DOSA participants range in size from budgets of \$1 million to over \$30 million and staffs from under 25 to over 500. The cohort is also demographically representative, both in terms of the countries where they work, and the locations of their U.S. offices.

The original cohort of 13 PVOs includes:

ACDI/VOCA	Minnesota International Health Volunteers
Andean Rural Health Care	PATH
CARE-USA	Population Services International
Citizen’s Network for Foreign Affairs	Save the Children/US
CRWRC	Winrock International
Katalysis	World Vision
Mercy Corps International	

In 1998, the cohort includes the original PVOs and four new PVOs:

### *Returning PVOs*

ACDI/VOCA

Andean Rural Health Care

CARE-USA

Citizen's Network for Foreign Affairs

CRWRC

Katalysis

Mercy Corps International

Minnesota International Health Volunteers

PATH

Population Services International

Save the Children/US

Winrock

World Vision

### *New PVOs*

Aid to Artisans

Helen Keller International

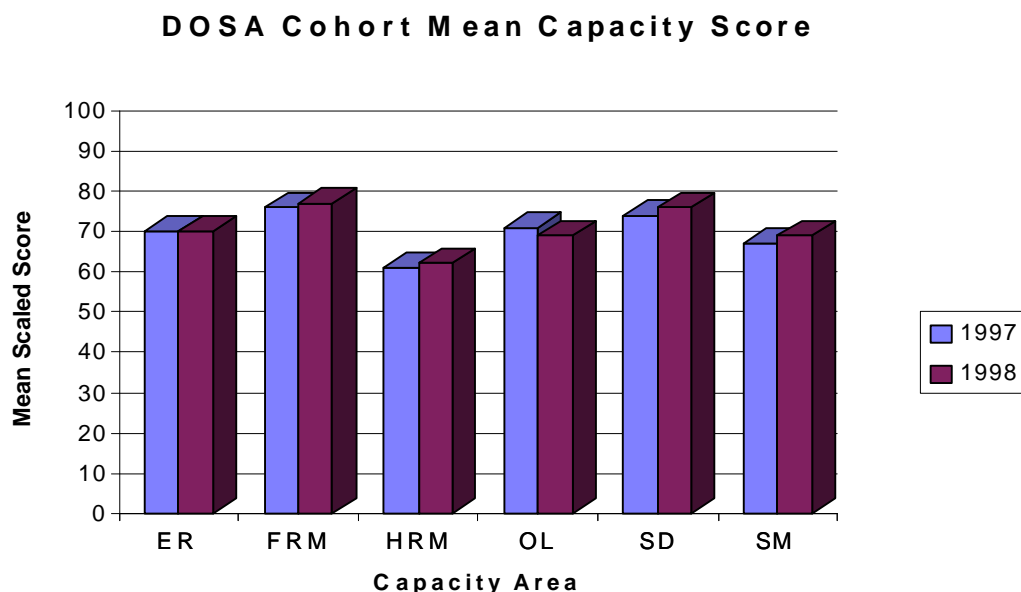
Margaret Sanger Center

OIC International

## **DOSA results and findings**

### *Capacity Score Analysis*

The following graph illustrates the 1997 and 1998 cohort average capacity score for each of the six core capacity areas measured by DOSA (external relations, financial resource management, human resource management, organizational learning, service delivery and strategic management). The data in these charts is based on the 1997 and 1998 results from seven representative participating PVOs.



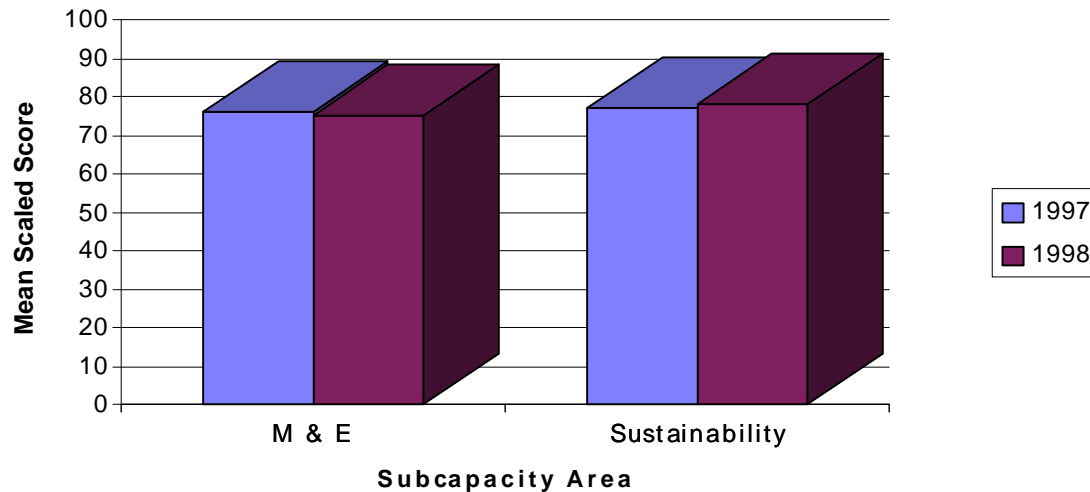
The mean capacity for the cohort held steady in the area of external relations, increased slightly in the areas of financial resource management, human resource management, service delivery, and strategic management. In 1997 the capacity scores, ranked from highest to lowest were in financial resource management, service delivery, organizational learning, external relations, strategic management and human resource management. In 1998, all rankings remained the same with the exception of organizational learning and external relations which switched places.

In addition to the six core capacity areas, DOSA also enables users to profile various subcapacity areas. Two areas of specific interest to USAID/PVC are sustainability of program benefits, and program monitoring and evaluation practices.

#### *Sustainability subscale*

Sustainability examines the degree to which organizations design and implement projects in terms of five different sustainability types: (1) environmental sustainability (how project activities impact on the quality of water, air, soil, and biodiversity); (2) economic sustainability (how recurrent costs associated with project activities will be met); (3) political sustainability (how project-supported innovations will be accommodated within the framework of existing laws, policies, and political institutions); (4) institutional sustainability (how long-term viability of institutions created through project activities can be maintained); and (5) cultural sustainability (how project-supported innovations fit within the framework of existing norms, values, roles, and practices). The projects supported by an organization scoring high in this area are likely to result in benefits to participants that are highly sustainable even well after the project implementation period has concluded.

## DOSA Cohort Mean Capacity Score



### *M&E subscale*

The monitoring and evaluation profile measures the degree to which an organization tracks its progress in meeting objectives and uses data to discern lessons learned and to improve practice. An organization scoring high in this area collects and analyzes data with respect to both inputs and impact in an effort to improve practice. Findings from monitoring and evaluations are routinely used to modify project design and implementation.

### *Capacity Interval Analysis*

Capacity is measured on a scale of 0 to 100 which has been divided into the following 20-point intervals:

0-40	PVO has little or no capacity in this area
41-60	PVO's capacities fall below acceptable performance standards in this area
61-70	PVO's capacities approximate acceptable performance standards in this area
71-80	PVO's capacities fall above acceptable performance standards in this area
81-100	PVO's capacities are far above acceptable performance standards in this area

In analyzing the cohort, an individual PVO's capacity scores are less meaningful than its position within the above capacity intervals or "bands." Obviously, capacity-building initiatives are designed to support organizations in meeting and exceeding acceptable performance standards.

Therefore, when measuring impact it is necessary to look at not only the mean capacity scores, but also the percentage of the cohort falling in each capacity band and how the distribution of organizations changes over time. An interval analysis (showing movement across bands) also provides much more information about trends and the dynamics of change than does a comparison of aggregated capacity score averages. The following table illustrates the change in distribution of the DOSA cohort's capacity scores from 1997 to 1998.

**Capacity Score Distribution Table**  
for the seven PVOs participating in both the 1997 and 1998 administrations of DOSA

	<b>ER</b>	<b>FR</b>	<b>HR</b>	<b>OL</b>	<b>SD</b>	<b>SM</b>
<b>PVO 1</b>	0	+1	0	+1	0	0
<b>PVO 2</b>	+1	0	0	0	0	+1
<b>PVO 3</b>	+1	0	+1	0	-1	+1
<b>PVO 4</b>	-1	-1	-2	-1	-1	-1
<b>PVO 5</b>	0	-1	-1	-1	0	-1
<b>PVO 6</b>	0	+2	+1	-1	0	+1
<b>PVO 7</b>	+1	+2	+1	+1	+1	0

*Key:* +2=upward movement across 2 scoring intervals; +1=upward movement across 1 scoring interval; 0=no movement across scoring intervals; -1=downward movement across 1 scoring interval; -2=downward movement across 2 scoring intervals

Number of PVOs experiencing *net downward* movement in 6 capacity areas: 1 (14 percent)  
 Number of PVOs experiencing *net downward* movement in 4 capacity areas: 1 (14 percent)  
 Number of PVOs experiencing *net upward* movement in 5 capacity areas: 1 (14 percent)  
 Number of PVOs experiencing *net upward* movement in 2 capacity areas: 4 (57 percent)  
 Total=7 PVOs

In sum, 5 PVOs experienced *net upward* movement (71 percent) whereas only 2 PVOs (29 percent) experienced *net downward* movement.

**key:** *net movement* = number of capacity areas for which there was upward movement across scoring intervals minus the number of capacity areas for which there was negative movement across scoring intervals.

Number of PVOs experiencing *absolute downward* movement in 6 capacity areas: 1 (14 percent)  
 Number of PVOs experiencing *absolute downward* movement in 4 capacity areas: 1 (14 percent)

Number of PVOs experiencing *absolute downward* movement in 1 capacity area: 2 (29 percent)  
Number of PVOs experiencing *no absolute downward* movement in any capacity area: 3 (43 percent)  
Total=7 PVOs

Number of PVOs experiencing *absolute upward* movement in 5 capacity areas: 1 (14 percent)  
Number of PVOs experiencing *absolute upward* movement in 3 capacity areas: 2 (29 percent)  
Number of PVOs experiencing *absolute upward* movement in 2 capacity areas: 2 (29 percent)  
Number of PVOs experiencing *no absolute upward* movement in any capacity area: 2 (29 percent)  
Total=7 PVOs

In sum, 4 PVOs (57 percent) experienced absolute downward movement in at least one capacity area; however, 3 organizations (43 percent) experienced no absolute downward movement at all. In contrast, 5 PVOs (71 percent) experienced absolute upward movement in at least one capacity area, while only 2 PVOs (29 percent) experienced no absolute upward movement whatsoever.

**key:** *absolute upward movement* =a capacity area for which there was upward movement across one or more scoring intervals.

*absolute downward movement*=a capacity area for which there was downward movement across one or more scoring intervals

Generally speaking, the cohort appears inclined toward incremental change that can be characterized as “slow but steady.” Thus, there were only three cases out of a possible 42 (derived by multiplying the number of PVOs, 7, by the number of capacity areas, 6) where the magnitude of change was greater than a single interval (7 percent). And, in each of those cases, the change recorded was only across two intervals.

### **Conclusions drawn from findings**

Overall, the cohort’s performance grew stronger although the pattern by which this occurred is uneven across organizations and capacity areas. Capacity development efforts targeted toward PVOs should be incremental in nature to reflect the evolutionary nature of change exhibited by the cohort. Areas of high volatility (Financial Resource Management and Human Resource Management) probably require ongoing attention to systems maintenance and revision in order to sustain gains made through capacity development initiatives. When such attention is given, change can be relatively quick and far-reaching; where attention is lacking, slippage in capacity is the likely outcome.

Because some capacity areas are more volatile than others, PVO performance is not likely to be linear with organizations showing predictable gains in performance from year to year.

Furthermore, heightened standards and expectations (itself, an outgrowth of the DOSA process) mitigates against a steady increase in DOSA capacity area scores year after year across the cohort.

#### *Interval analysis by capacity area*

**ER:** 3/7 improved by 1 interval; 1/7 decreased by 1 interval. Overall: cohort shifted up. Area of moderate volatility.

**FR:** 3/7 improved—two of these by two intervals. 2/7 decreased by one interval. Overall: cohort shifted up. Area of greatest volatility.

**HR:** 3/7 improved by 1 interval; 2/7 decreased—one of these by 2 intervals. Overall: cohort shifted up slightly. Area of high volatility.

**OL:** 2/7 improved by 1 interval; 3/7 decreased by one interval. Overall: cohort shifted down. Area of moderate volatility.

**SD:** 1/7 improved by 1 interval; 2/7 decreased by one interval. Overall: cohort shifted down slightly. Area of low volatility.

**SM:** 3/7 improved by 1 interval; 2/7 decreased by one interval. Overall: cohort shifted up slightly. Area of moderate volatility.

Areas of high volatility: FR, HR

Areas of moderate volatility: ER, OL, SM

Area of low volatility: SD

Area of greatest improvement: ER

Area of least improvement: OL

**key:** volatility=sum of interval changes regardless of direction. High volatility=a total of 5-6 interval changes across the cohort; moderate volatility=a total of 4-5 interval changes across the cohort; low volatility=a total of less than 4 interval changes across the cohort.

### **Additional findings and supporting documentation**

#### *Phone survey results*

A phone survey of DOSA 1997 participants was conducted in August of 1997 to determine how DOSA had contributed to organizational development. Overall the response of the cohort was very positive as most respondents reported that DOSA met their expectations and objectives, especially with regard to fostering dialogue and “benchmarking” performance. Many of the organizations polled looked forward to repeating the process in the long term to measure year-to-year change.

#### *Dissemination of methods/scaling-up*

The Internet is used to disseminate DOSA results among cohort members, to distribute companion tools for improved performance, and to stimulate dialogue among cohort members about how assessment results are being used to support organizational transformation. The

Internet also facilitates the dissemination of ongoing, increasingly complex and sophisticated analyses of cohort performance. Feedback becomes a dynamic rather than a static process.

The DOSAPage website, located at [www.edc.org/INT/CapDev/dosapage.htm](http://www.edc.org/INT/CapDev/dosapage.htm), was first launched in June of 1997. In the ten months since its inception, over 7500 visitors have logged onto the DOSAPage. The number of monthly visitors has increased from 90 in June to 1039 in March 1998.

*DOSA uptake by UNDP and others*

UNDP recently introduced an adaptation of DOSA called POET (Participatory Organizational Evaluation Tool) which is designed for use by southern NGOs. UNDP is also using the Internet as a tool for capacity building in much the same way that the DOSA website supports the capacity development efforts of user organizations.

The Johnson Foundation is supporting a conference for DOSA users and is also exploring the application of DOSA to a cohort of Racine, Wisconsin nonprofit organizations, creating a mini Lessons Without Borders case study.

Ben Gurion University has initiated a project to adapt DOSA to the needs of a network of educational institutions that it serves.

Education Development Center intends to use DOSA as the framework for its capacity building efforts in Russia while Pact is now using DOSA in several of its field-based projects in Asia and Africa. CARE has adapted DOSA for use with its partner organizations.

### **The DOSA Change Process in Practice**

Several of the organizations in the 1997 cohort were in the midst of restructuring and used DOSA as a tool to develop a common language for points of reference and to set goals. Mercy Corps embedded DOSA in a month-long organization-wide internal planning and evaluation process. CRWRC used DOSA as the basis for an initiative to replace the hierarchical structure with a team-centered organizational approach. Winrock International established personal performance objectives for management, and implemented process audits in the problem areas identified through the DOSA process.

Citizen's Network for Foreign Affairs gained new insight to its staffing procedures and, as a result, instituted new methods for posting position openings. Furthermore, the organization identified a gender imbalance and addressed this issue through a campaign to recruit more women. CARE responded that DOSA afforded them a cross-divisional view of their organization and the opportunity to identify differences of opinion. This new perspective prompted CARE to develop a similar tool based on DOSA for use by their southern NGO partners.

## DOSA's Six Core Capacity Areas

The table below indicates the six broad capacities measured by DOSA, the specific competencies measured for each of these capacity areas, and, for each capacity area, the characteristics of a high-scoring NGO.

CAPACITY AREA	ATTRIBUTES MEASURED	CHARACTERISTICS OF A HIGH-SCORING NGO
EXTERNAL RELATIONS	<p>Communications with constituency (including donors) and the general public</p> <p>Outreach to relevant policymakers</p> <p>relationships with the private business sector</p> <p>Diversification of financial support</p> <p>fundraising capacity, performance and efficiency</p>	<p>Developed, timely, results-oriented communications with groups essential to mission accomplishment; a well defined, consistent effort to influence public policy related to mission; innovative linkages with the private business sector; diversified financial support; a fundraising effort that is efficient and effective in generating organizational resources</p>
FINANCIAL RESOURCE MANAGEMENT	<p>Procedures and practices to maintain an appropriate balance between expense and revenue budgeting</p> <p>Accuracy and utility of financial reports management of cash flow and maintenance of appropriate levels of cash reserves</p> <p>Procurement practices</p>	<p>Agile in avoiding deficit operations; highly prone to allocate financial resources in ways that support strategic priorities and overall mission; highly competent in generating accurate and timely financial reports that support managerial decision-making; consistent in making efforts to maintain adequate reserves and cash on hand to meet organizational needs; consistent in applying regularized procedures to organizational procurements</p>

<b>CAPACITY AREA</b>	<b>ATTRIBUTES MEASURED</b>	<b>CHARACTERISTICS OF A HIGH-SCORING NGO</b>
<b>HUMAN RESOURCE MANAGEMENT</b>	Staff development staff deployment Recruitment Compensation (salary and benefits) Personnel evaluation Opportunities for professional advancement Grievance and conflict resolution Supervisory practices	Regular staff training; adequate staff in terms of numbers and skills; human resource practices that significantly contribute to staff retention, accomplishment and morale; supervisory practices that contribute to the professional development of staff
<b>ORGANIZATIONAL LEARNING</b>	Flow of information (horizontal and vertical) Quality, timeliness, and utility of shared information The degree to which information is used to improve organizational performance Support for effective teamwork Participatory management practices Staff meeting practices	Internal communications that flow in multiple directions; internally generated information that is timely, useful, accurate and accessible to those who need it; a culture that successfully promotes the identification of lessons learned to improve organizational performance; highly effective deployment of teams to resolve organizational issues; highly participatory management practices; highly productive staff meetings

CAPACITY AREA	ATTRIBUTES MEASURED	CHARACTERISTICS OF A HIGH-SCORING NGO
SERVICE DELIVERY	<p>Stakeholder roles in relation to such functions as assessing needs; designing projects; implementing projects; monitoring projects; and, assessing project impact</p> <p>Monitoring and evaluation practices</p> <p>Project sustainability (cultural, economic, political, environmental, and institutional)</p> <p>The quality of technical support to field projects</p>	<p>High levels of involvement by stakeholders (including those traditionally under-represented in development decision-making) in project design, implementation and assessment; strong monitoring and evaluation systems; highly sustainable development activities; high quality technical support for field operations</p>
STRATEGIC MANAGEMENT	<p>Strategic planning practices</p> <p>Governance practices</p> <p>Organizational commitment to mission, goals, and philosophy</p> <p>Capacity to adapt to changes in the external environment</p> <p>Strategic partnering</p>	<p>History of using strategic planning to "refit" the organization to its environment in an ongoing fashion; a system of governance that contributes significantly to the accomplishment of organizational mission; a pattern of managerial decision-making that is highly consistent with mission, goals and philosophy; a well developed network of strategic partnerships with other organizations</p>

These capacity areas were chosen to reflect NGO operational realities. Specifically:

- External relations, including fundraising, is critical for an organization's long-term viability.
- An organization's capacity to learn by using information and teamwork effectively is an important determinant of how well it can adjust to increasingly complex challenges.
- The effective management of resources (human and financial) is at the heart of accountability, legitimacy and public trust.
- Strategic management--managing to create a new organizational future--is an increasingly important skill in an era characterized by rapid change in the NGO operating environment.
- Service delivery is how the organization achieves its mission.

## ANNEX 2

### PERFORMANCE PROFILES— Enhanced Capacity to Deliver Sustainable Services

#### A. Farmer-to-Farmer Program

##### Building Competitive, Self-Sustaining NGOs

Since 1992, **Agricultural Cooperative Development International /Volunteers in Overseas Cooperative Assistance (ACDI/VOCA)** has been providing technical assistance to the agricultural sector in Armenia funded through the BHR/PVC Farmer-to-Farmer Program. Because of severe economic problems experienced in recent years, Armenia has a high percentage of unemployed and underemployed agricultural specialist. In 1996, ACDI/VOCA organized a local NGO, **Volunteers in Service to Armenian Agriculture (VISTAA)**, comprised of underutilized agricultural specialists recruited to support the FTF program. Initially, VISTAA specialists were matched with FTF volunteers, resulting in the transfer of technology to both the host organization and the local specialist. In return, the FTF volunteer gained valuable insight into the local conditions. The VISTAA specialist also provided follow-up if the host organization had questions or problems. Some FTF assignments were eventually carried out by the VISTAA specialists as they gained experience.

*With the support of the USAID Mission and ACDI/VOCA, VISTAA is now a locally registered NGO and has become a permanent contributor in the development of the agricultural sector in Armenia. By the end of 1997, VISTAA volunteers completed more than 30 technical assistance assignments employing more than 45 local specialists. VISTAA has also received requests from a number of international and local organizations for technical assistance. In FY 1998, VISTAA began charging a cost-recovery fee in a move toward sustainability. VISTAA services have been requested by UMCOR, Eurasia Foundation, the International Red Cross, the United Nations World Food Program, and Mission East. The demand for VISTAA services has grown to the point where they expect to be completely self-sustaining by the end of 1998.*

## **Rural Employment & Enterprise Development: Small Loans Add Up to Big Success in Uzbekistan**

In the Central Asian Republic of Uzbekistan the government tightly controls banking and financial transactions. Private sector entrepreneurs and farmers often can't get the loans they need to operate or expand their businesses. This is one of the challenges being addressed by USAID's Farmer-to-Farmer Program.

**Winrock International**, in collaboration with the **Women's Business Association of Uzbekistan and Mercy Corps International**, fielded four volunteers to introduce credit unions as a way to offer secure savings and affordable loans. Although credit unions are not prohibited, they are a new idea in this part of the world, and Uzbeks must prove that credit unions can be successful before these institutions receive government sanction.

Credit union and business specialists worked in five Uzbek cities—Samarkand, Urgench, Karshi, Fergana, and Tashkent—explaining the function of credit unions, identifying economic opportunities, and helping small agricultural businesses, individuals, and women's organizations develop business plans. Mercy Corps International contributed \$50,000 to support the credit unions. The FTF volunteers donated a computer and credit union management software valued at \$3,000.

*Training more than 250 people, 50% of them women, has produced immediate results. Six credit unions have been established and six more are being formed. Two of the new credit unions collected share deposits and made their first member loans before the volunteers departed from Uzbekistan. These credit unions are the only member-driven financial institutions in Uzbekistan that recycle credit within their own communities. One of the credit unions has nearly doubled its membership since April 1997, from 14 members to 27. The loans have allowed one member to open a new business and another reports that business income has increased by 30%.*

“The Women's Business Association is now lobbying the central government for legislation to support credit unions and is operating regional credit unions as best they can under existing laws. Credit availability to members has greatly enhanced the status of the association,” says Rick McQuady, Winrock's FTF regional director. This translates into financial and institutional sustainability for the Women's Business Association, as well as for its member businesses.

Winrock International has also greatly benefited from the opportunity to field more than 900 short-term volunteer experts under USAID's FTF Program from 1991 to the present. Winrock has adapted this experience to incorporate volunteers into many other technical assistance programs, making its development assistance more cost-effective and sustainable than ever. In addition, Winrock's staff have gained valuable experience in supporting micro-credit and credit unions. As a result of this grant, Winrock and Mercy Corps International recently obtained

funding from the U.S. Department of Agriculture to establish rural credit programs in Kazakhstan.

## **Kazak Orphans Grow Vegetables and Skills, and Leverage Funds with help from USAID**

High unemployment and low paying jobs are a reality across the New Independent States of the former Soviet Union, even for individuals with advanced education and training. Young adults entering the workforce from state-run orphanages face even greater employment challenges because of the limited preparation they've received. In Kazakhstan, Almaty Orphanage No. 3 cares for about 350 children ages seven to 17. In November 1996, **Winrock's NIS Farmer-to-Farmer Program** began collaborating with the orphanage to give orphaned students skills they can use and at the same time, improve the children's nutrition.

Working with the institution's staff, four USAID-funded volunteers helped develop a six-hectare garden plot to give students hands-on experience in commercial gardening. The volunteers contributed 120 days of technical assistance, valued at more than \$30,000.

As a result of this assistance, the program produced 2.3 tons of vegetables plus 1528 ears of corn and 100 pumpkins. The volunteers helped the students produce and harvest tomatoes, broccoli, squash, pumpkins, and sweet corn, generating revenue of more than \$3,289.

The children developed new skills in farming and produce marketing. Winrock staff helped select high-value vegetables desired by westerners living in Almaty and those in demand by local hotels and restaurants. *Production is expected to more than double in 1998. The children consumed much of the nutritious produce themselves.* In 1998, additional volunteers will help the orphanage expand the garden to nine hectares.

*In addition to the USAID-funded consultants, the project received more than \$15,000 of donations from business and individuals in Almaty.* Major corporate donors included Chevron, Price Waterhouse, Total, and Novartis seed company.

This is just one example of the positive results programs can achieve using volunteer technical assistance. To field a paid consultant for 20 days of work, a project would use more than \$15,000 of its budget. To field that same person as a volunteer, including expanded recruiting, mobilization, and management costs, requires less than \$8,000. Since 1992, Winrock has fielded more than 160 volunteers on assignments averaging 20 days to assist farm and agribusiness development in Kazakhstan. If we estimate the value of the volunteers' time conservatively at \$270 per day, these volunteers have contributed nearly \$750,000 worth of technical assistance at less than half the cost of using paid consultants.

## **B. Child Survival Program** (Summaries of 1997 Evaluation Studies)

### **Health Worker Peer Training Lowers Immunization Costs, Increases Coverage**

Childhood immunization is a proven way of reducing child illness and mortality but the costs of training health workers to provide immunizations across an entire country can be dauntingly high. One way to cut costs is peer training. Studies have suggested that health workers can successfully train their peers as an effective alternative to formal classroom training.

With the help of a PVC-funded grant, **Project Concern International** and its local government partner, the Department of Health of the Indonesian Maluku Province, undertook several activities to improve its immunization program. One approach used a peer-training program where experienced, high-performing nurse-immunizers went to other health centers to help inexperienced or low-performing immunizers.

In 1997, Project CONCERN International released a comprehensive evaluation of the Maluku peer-training program. The evaluation showed that:

- The adjusted vaccination coverage rates rose about 40% for the group that participated in the peer-training program, and the number of key practices correctly performed increased by about 30% as a result of peer training. Vaccination coverage and practices in the other group remained virtually constant.
- There were increases in actual vaccinations given and in reporting accuracy, both of which were goals of the training program.
- The training program improved trainees' organization of their work and improved sterilization and vaccine storage techniques.
- The peer-training program has been popular with health center immunizers and managers. The trainees talked enthusiastically about their experience, noting that it is much easier to learn from peers than in formal training courses because peers address immediate problems and because the trainees feel comfortable admitting their shortcomings to a peer where they would not in a classroom setting.

Finally, *the evaluation showed that the out-of-pocket costs were significantly lower than with traditional training.* The program training cost averaged at about \$53 per trainee, or about \$0.05 for each additional immunization given. The marginal cost per additional fully immunized child

was determined to be roughly \$0.50.

**Preventive Health Care Program  
for Families on Malawian Tea Estates  
Benefits Both Employees and Employers**

Tea estates have always provided free medical services to all employees and their families. The extent of the services provided ranged from treatment of minor injuries and basic illnesses, to limited inpatient care. Preventive care and health education, however, have always been problematic on the estates where, during the peak season, the population can reach 275,000. In contrast, people who live off the estate in villages can obtain free care from the government or from fee-for-service church clinics. Families living on tea estates were receiving substantially less health benefits than those living almost anywhere else in Malawi.

In 1990, health care changed for the families of tea estate workers. PVC funded a **Project HOPE** pilot that worked with the Central Africa Company's (CAC) eight tea estates in the Thyolo District. An external evaluation looked the program in terms of increased health services provided to the tea estate workers and their families, but also to identify what in the program motivated the tea estate management to continue it beyond Project HOPE's funding.

Project HOPE trained health workers to provide medical outreach services to the estate's outlying compounds that were not being satisfactorily covered by the company's central clinic. These health surveillance assistants, operating in a similar manner to government health workers, gave health talks to groups of women and children; inspected all houses, water sources, latrines, and other sanitary facilities; reported disease outbreaks to the central estate clinic; organized compound clean-up campaigns; referred sick children and adults to the clinic; and assisted with preventive care at the estate clinic.

*As a result of the program, the number of family clinics in the districts of Thyolo and Mulanje jumped from "a few" in 1990 to 23 in 1996, mostly as a result of the program, according to the estates workers and managers. Ante-natal clinics have increased from eight to 15, and under-five clinics from a handful to 17, again mostly as a result of the program. The program was so well received and accepted by both the CAC workers and the estate's management that by mid-1994, more than 11 estate companies had joined the effort, expanding the program geographically into the Mulanje District. The estate companies found that the potential benefits from the program were improvements in the health and well-being of the workers and their families, monetary benefits to the estates (e.g., reduced health care costs, higher productivity, lower absenteeism), and non-monetary benefits (e.g., the generation of goodwill with workers and government).*

Project HOPE is now winding down its role in the program, but the program itself is not ending.

*The estate companies are in the process of making this a self-sustaining effort by funding a local nongovernmental institution to replace Project HOPE in its training and supervisory oversight.*

### **La Leche League of Guatemala: Sustainability of Community-Based Project**

Breast-feeding is an important component of the international effort to promote maternal and child health. **La Leche League International**, which works worldwide to encourage breast-feeding, has traditionally relied on educated middle-class mothers for membership and leadership. Increasingly, however, the League has focused on low-income mothers, and in 1988 it initiated a PVC-funded breast-feeding project in Guatemala aimed at mothers in ten poor communities around Guatemala City.

La Leche League of Guatemala (LLLG) recruited and trained over 200 volunteer breast-feeding counselors from poor peri-urban communities for mother-to-mother support. These women provided one-on-one counseling to other women, referred them and their children to local health facilities, and ran support groups for mothers—all without receiving any financial compensation.

When grant funding ended in 1992, the LLLG staff and breast-feeding counselors met and decided to continue the project in seven of the ten communities where it had operated, but with significantly reduced LLLG staff support because of budgetary constraints. In 1996, the Global Bureau Office of Health provided funding and technical support through the BASICS Project for the League to evaluate the success and sustainability of the project. The study focused on three questions: (1) In what ways has the community-based project been sustained? (2) What factors made sustainability possible? (3) Can La Leche League systematically promote sustainability of its programs?

*The study concluded that although the annual budget had been reduced by 60%—from \$50,000 to \$20,000—in the just over three years after the grant ended, the project sustained close to the same level of service. Nearly all the volunteers were still actively counseling mothers and referring them to clinics when needed. The intensity and quality of the program continued unabated for three years with no supervision. What accounts for this success? The answer seems to be that the mutually supportive relationships among women, community mothers, the volunteer counselors, and La Leche League kept the program participants motivated and informed at low cost. Sixty-five percent of the women who are in contact with a counselor have taken it upon themselves to counsel other women in their community, creating a ripple effect that further increases understanding of breast-feeding and child health.*

### **C. MATCHING GRANTS PROGRAM**

## **CREATING LOCAL CAPACITY TO REDUCE CHILDHOOD BLINDNESS**

International Eye Foundation has carried out programs to strengthen local non-governmental organizations and hospitals in developing countries to expand and improve their clinical and surgical service to blind and visually impaired children in underserved areas. The program's goal is to increase the quality and quantity of ocular surgery performed on children to ameliorate childhood blindness. PVC's work to program congressionally-earmarked funds for "blind children" that also promotes PVC's strategic objective of increasing capacity to deliver sustainable services has been highly successful.

SightReach, begun in 1993, has trained young ophthalmologists in establishing practices in underserved areas in Guatemala and Honduras. The second component, ChildSight, is enhancing the technical and service abilities of Ministries of Health to provide sight-restoring operations, seeking out visually-impaired children, providing operations where appropriate and primary, secondary, and tertiary training in pediatric ophthalmology.

In 1996, "Seeing 2000" was funded to focus specifically on strengthening national NGOs and hospitals, supporting surgical equipment for pediatric ocular activities, specialized training for pediatric ophthalmologists and paramedicals, and have subsidized surgery for children who would otherwise not receive surgery. To date, 24 programs have been supported in 13 countries.

Under these programs, thousands of children have benefited from IEF's work. Some of the results of the program, reflected in the number of children receiving ophthalmic surgical care and eye disease screening during the last four years, follow:

<b>Country</b>	<b>Surgery</b>	<b>Screening</b>
India	3,940	49,704
Pakistan	1,548	7,221
New Guinea	161	303
Malawi	532	21,404
Dominican Rep.	44	
Guatemala	557	408

IEF is well on the way to meet its primary objectives of increasing by 20% or more the number of children receiving needed surgery for correctable ocular conditions in served areas; increasing by 50% or more the number of children under age six receiving eye examinations in project areas; and identifying at least one ophthalmologist or clinician within each area to enhance their capacity to treat children clinically and surgically through additional training.

## **SUSTAINABLE DEVELOPMENT SERVICES (SDS)**

PVC supports the SDS program to enhance PVOs' ability to: 1) design self-financing systems for their programs; 2) build the technical competence to implement such systems; and 3) learn about and undertake the wider organizational changes necessary to integrate and support those program innovations. The program consists of three components:

- 1) Workshops and education on innovations, tools and issues in adopting financial sustainability approaches. A key element is a diagnostic workshop for PVOs contemplating undertaking microenterprise development activities or other cost-recovery strategies.
- 2) Targeted technical assistance to help selected organizations think through and design in greater detail their approach to sustainability.
- 3) Development and dissemination of learning tools (case studies, practical diagnostic/planning instruments, and literature) on SDS for the at-large PVO community.

### **The following is an example of successful intervention by SDS with OIC International**

Long-term technical assistance for OICI from April 1996 to September 1997 was coordinated and led by the Institute for Development Research, Inc. (IDR). The Sustainable Development Services project (SDS) focused on reengineering of OICI headquarters to reduce its grant dependency and increase sustainability of its service delivery, and to develop greater program and financial sustainability among its affiliates. Additionally, as part of that support effort, Freedom From Hunger (FFH) assisted OICI in the design of OICI's Guinea affiliate program based on FFH's Credit with Education model. The technical support facilitated numerous changes. At the headquarters level, the board was reorganized, bringing on new members with a broader business orientation and commitment to financial sustainability. A new strategic plan was crafted with strategic objectives directly linked to financial sustainability. OICI's financial procedures were overhauled to enable the collection of essential monthly financial data to effectively measure progress. Staff numbers were reduced from 32 to 15, eight senior staff were trained at SDS sustainability seminars, and new staff were added with business/entrepreneurial backgrounds.

At the country-level, the development of new programming is now preceded by feasibility/market studies, and the resulting proposals brought before multiple donors (not only USAID). New programs are now more focused, and are fashioned from one of three models: (1) job training tied to microenterprise development; (2) Child Survival programs connected to a Credit with Education; (3) income-generating entrepreneurial activities tied to country-level job training activities. The transformation process has enabled OICI to see itself in a sustainability development services business that can successfully garner revenue.